THE FREEMAN

IDEAS ON LIBERTY

The Coming of Christ

Are There No Limits to Federal Regulatory Power?

Workers and Unions

A Tale of Two Dictionaries

DECEMBER 1992

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Ludwig von Mises
1881-1973

CAN THIS MAN'S IDEAS SAVE AMERICA?

Professor Ludwig von Mises may in fact be godfather to a restored America. In sixty years of teaching, and in such books as *Human Action*, *Socialism*, and *The Theory of Money and Credit*, this great economist demonstrated that private property, free markets, sound money, and traditional social institutions are essential to Western civilization. Now, through the Ludwig von Mises Institute, a new generation is spreading his ideas on our nation's campuses.

For more information about the Institute and a free three-month subscription to its monthly, *The Free Market*, write, phone, or fax: the Ludwig von Mises Institute, Auburn, Alabama 36849-5301; phone (205) 844-2500; fax (205) 844-2583.

Detach here and mail

Ludwig von Mises Institute
Auburn, Alabama 36849-5301

❑ Please send me a free three-month subscription to *The Free Market*.

please print

Name _____

Street _____

City _____ State _____ ZIP _____

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE FREEMAN
IDEAS ON LIBERTY

CONTENTS
DECEMBER
1992
VOL. 42
NO. 12

452 The Coming of Christ
John W. Robbins
A Christmas message on how Christianity has profoundly shaped Western civilization.

462 Markets in the Post-Cold War Era: Controlled or Free?
Amy L. Sherman
The end of Communism in Europe does not inevitably mean economic freedom. There is more than one form of socialism.

469 Are There No Limits to Federal Regulatory Power?
Russell G. Ryan
Congress has made a federal case out of killing ants.

471 The Food Police Are Watching You
K.L. Billingsley
How government protects us from little green apples.

473 Workers and Unions—How About Freedom of Contract?
George C. Leef
Let's give workers a *real* choice.

477 America's Child Protective System: Is It Really Protection?
Hannah B. Lapp
Legal busybodies are neither protecting our children nor respecting our rights.

481 Economics and Ethics in the Public Policy of the Free Society
Alexei M. Marcoux
An elegant solution to problems of efficiency and ethics.

483 A Tale of Two Dictionaries
John P. Finneran
The individual versus the committee.

486 Book Reviews
Welfare Economics and Externalities in an Open-Ended Universe: A Modern Austrian Perspective by Roy E. Cordato, reviewed by William H. Peterson; *The Seven Fat Years—And How to Do It Again* by Robert L. Bartley, reviewed by Robert Batemarco; *Money of the Mind—Borrowing and Lending in America from the Civil War to Michael Milken* by James Grant, reviewed by James Picerno.

491 Index 1992

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE FREEMAN
IDEAS ON LIBERTY

Published by
The Foundation for Economic Education
Irvington-on-Hudson, NY 10533

President: Hans F. Sennholz
Editor: John W. Robbins
Senior Editor: Beth A. Hoffman
Contributing Editors: Bettina Bien Greaves
Edmund A. Opitz
Editor Emeritus: Paul L. Poirot

The Freeman is the monthly publication of The Foundation for Economic Education, Inc., Irvington-on-Hudson, NY 10533. FEE, established in 1946 by Leonard E. Read, is a nonpolitical educational champion of private property, the free market, and limited government. FEE is classified as a 26 USC 501 (c) (3) tax-exempt organization. Other officers of FEE's Board of Trustees are: Gregg C. MacDonald, chairman; W.A. Speakman, vice-chairman; Paul L. Poirot, secretary; Don L. Foote, treasurer.

The costs of Foundation projects and services are met through donations. Donations are invited in any amount. A trial subscription to *The Freeman* is available to any interested person in the United States for the asking. Additional copies of single issues are $2.00 each. For foreign delivery, a donation of $40.00 a year is required to cover direct mailing costs.

Copyright © 1992 by The Foundation for Economic Education, Inc. Printed in the U.S.A. Permission is granted to reprint any article in this issue provided appropriate credit is given and two copies of the reprinted material are sent to The Foundation.

Bound volumes of *The Freeman* are available for $15.00 each from The Foundation for calendar years 1971 to date. Earlier volumes as well as current issues are available on microfilm from University Microfilms, 300 North Zeeb Road, Ann Arbor, MI 48106.

The Freeman considers unsolicited editorial submissions, but they must be accompanied by a stamped, self-addressed envelope. Our author's guide is available on request.

Phone: (914) 591-7230
FAX: (914) 591-8910

PERSPECTIVE

The Love of Money

The famous Biblical statement about money is not about money but about loving it. It is the *love* of money that is the root of all evil, not money itself. And that is crucial—love is to be reserved for God, family, and friends—in short, for those who are one's personal intimates, not for anything else. No wonder, then, that if one gets confused and actually loves money or golf or deep sea fishing, thus seriously mistaking one's priorities, it leads one astray and ought to be resisted. But there is nothing actually wrong with money—any more than with golf or deep sea fishing.

—TIBOR R. MACHAN

On Need

In a market economy, consumers get what they want. If you're selling what people want, you will survive; if you're not, you won't. There are no hearings, no votes, no lobbying, no log-rolling, no protesting competitors, no grandstanding by morally superior do-gooders, and no judges.

Determining "need" by a political administrative process is flatly impossible. Information about "need" exists only in the minds of potential customers faced with future conditions and alternatives that are unknowable to them. There is no way that future "needs" can be determined by anyone, even less by a committee that is tugged to and fro by lawyers and others intent on mischief.

The only way to find need is to have an entrepreneur take a chance on his own nickel and see what happens in the market.

—JOHN WENDERS

A Self-Made Nation

Businessmen, self-made men, and entrepreneurs are vilified in film, fiction, and television. From Sinclair Lewis' *Babbitt* to the *Dallas* TV soap opera, and the movie *Roger and Me* about General Motors, businessmen are portrayed as villains and also as graceless, unlettered boors, the true ugly Americans. Why, when we are a nation of self-made men?

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Some businessman, some risk taker, had to take a chance on the first railroad, automobile factory, and radio station. On a more prosaic level, someone had to believe in the plastic garden hose, and the stick-on towel rack. More often than not these were individuals who scraped together every nickel they could get their hands on and went to work. Why is there such animosity toward those who are the glue that helps to hold the whole nation together?

IBM founder Thomas Watson started as a sewing machine salesman. He was far from rich, but he had something to offer. Robert Gross borrowed $17,000 at the height of the Great Depression to buy the nameplate—which was about all that still existed of the Lockheed Aeroplane Company. One of his engineers, Jack Northrop, later struck out on his own, with borrowed money, to start his own company. And so it went with thousands of others who looked into the future, took enormous risks, and in time became successful.

We are a nation of self-made men. And self-made men have made us a self-made nation. They enable us to exist. They are the reason we are unique. To deny this is to deny the color of the grass or the inevitability of the seasons. If there is a moral, it is that we shouldn't be so harsh in our appraisal of the self-made man, the businessman.

—DONALD G. SMITH

Poverty

Poverty has been the natural condition of the world from time immemorial. It remains the condition for the majority of the world's population today. But there is a significant difference. It is no longer the natural condition. Today, each country determines for itself whether it will be rich or poor. Its political policies, past and present, determine its economic status.

One common belief is that countries are poor because they lack capital. But as Lord Bauer has emphasized, if all the conditions for development except capital are present, capital will soon be generated locally or be imported from abroad.

In brief, a necessary, although not sufficient condition for economic development is the establishment of an "enabling environment," essentially a classical liberal government which maintains order and protects property but does not interfere in the economic realm.

—DAVID OSTERFELD

Science and the State

As applied, for example, to science, [central] planning means the attempt to replace the aims which science sets itself by aims set to science by the government in the interest of public welfare. It makes the government responsible for the ultimate acceptance or rejection by the public of any particular claims of science and for granting or withdrawing protection to particular scientific pursuits in accordance with social welfare. The proper aims of science being denied justification and even reality, the scientist still pursuing them is naturally held guilty of a selfish desire for his own amusement. It will be logical and proper for the politician to intervene in scientific matters, claiming to be the guardian of higher interests wrongly neglected by scientists. It will be sufficient for a crank to commend himself to a politician in order to increase considerably his chances of recognition as a scientist. In fields where scientific criteria allow wide latitude of judgment (e.g., medicine, agricultural science, or psychology) the crank who can enlist political support will find easy openings for establishing himself in a scientific position. Thus corruption or outright servitude will weaken and narrow down the true practice of science; will distort its rectitude and whittle down its freedom. And it will similarly distort and whittle down all rectitude and freedom in every field of cultural and political activity.

—MICHAEL POLANYI
Science, Faith and Society

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE FREEMAN
IDEAS ON LIBERTY

The Coming of Christ

by John W. Robbins

This December 25 more than a billion people will celebrate the birth of Jesus Christ. The celebration is doubly ironic, for the date is not his birthday, and many celebrants have forgotten—or perhaps have never learned—the meaning of his birth. One of the most enthusiastic celebrants of Christmas I have known was an atheist. She loved the decorations, the smells, the songs, the food and drink, the smiling faces of children, the gifts, and the fleeting feeling of goodwill. She, like many others, was a devotee of Christmas, but not of Christ.

This is a tragedy of eternal proportions, for the work of Christ—his birth, life, death, and resurrection—is the most important event in the history of mankind. Christ's life is the point from which we date all of world history, and it is impossible to understand Western civilization, especially the United States, without understanding Christianity.

It has been almost 2,000 years since Jesus was born, and since that time our world has changed immensely. Jesus, born and reared in small towns in Judea, one of the outlying provinces of the Roman Empire, lived only 33 years—a young man by modern standards—and taught only three years—a short career—before he was tortured and executed by a local mob and the Roman government. Had he been an ordinary man, it would all have ended there. No one would have noticed. At best he would have been another statistic in the long annals of cruelty inflicted by Rome. But Jesus was far from ordinary; he was and is the second person of the Trinity, the *Logos*, the Logic and Wisdom of God incarnate. Three days after his crucifixion, he walked out of his guarded tomb, just as he had predicted. The worst the Empire could do had failed. Jesus was alive.

About 600 years earlier and a few hundred miles to the east, King Nebuchadnezzar of the great empire of Babylonia had had a dream. He saw "a great image. This great image, whose splendor was excellent, stood before" the King, and "its form was awesome. This image's head was of fine gold, its chest and arms of silver, its belly and thighs of bronze, its legs of iron, its feet partly of iron and partly of clay." The King watched "while a stone was cut out without hands, . . . struck the image on its feet of iron and clay, and broke them in pieces. The iron, the clay, the bronze, the silver, and the gold were crushed together, and became like chaff from the summer threshing floors; the wind carried them away so that no trace of them was found. And the stone that struck the image became a great mountain and filled the whole earth."[1]

In this way God, through Daniel, foretold the coming of Christ. He was the stone that would crush the great image into dust and blow it away, and the image was the empires and rulers of the world. For the past two thousand years the stone

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

has been growing, sometimes imperceptibly, sometimes rapidly, always inexorably. The spread of Christianity has profoundly changed society, its institutions, its beliefs, and its culture. What has emerged is nothing less than a new civilization.

The World Before Christmas

Americans, if we think about the subject at all, sometimes entertain a romantic and idealized view of Greece and Rome as peaceful, pleasant, and free societies. We see the statuary and the ruins, we hear the philosophers discussed, and we read the exploits of the Caesars. Athens, we are told, was a model of enlightenment and democracy, and Rome was a model of justice and law. It is largely to Greece and Rome, to their philosophers and statesmen, so the story goes, that we owe our freedom, our civilization, and our prosperity.

The World Book Encyclopedia, commonly used by high school students, informs its readers that "The principles that bound the Roman Empire together—justice, tolerance, and a desire for peace—influenced countless generations." But the very next sentence—so startling in contrast to the first—is closer to the truth: "Roman cruelty and greed caused great misery, and the use of force brought hardship and death."[2] Rome was an empire of violence, not justice; it was held together by the force of the feared Roman legions. It tolerated no disobedience, and peace was a rare event. Even at its best, the *Pax Romana* during the first and second centuries of the Christian era, the Empire was, in Livy's words, "rich in catastrophe, fearful in its battles, fertile in mutinies, bloody even in peace."[3] The debt that we owe to Greece and Rome has been somewhat exaggerated. To understand the impact of the coming of Christ, one must have a more accurate understanding of the classical world.

Religion. The religion of Rome and Greece was everywhere. On Paul's arrival in Athens he found a city "given over to idols."[4] Dreams, omens, ghosts, apparitions, and the "evil eye" were both feared as sources of harm and sought as sources of guidance. Astrology was a science and part of high culture, enjoying the respect psychoanalysis and psychiatry do today. Idols and images were everywhere. Animal sacrifice was a regular part of religious worship, and festivals and holidays—by one count 109 days each year were holidays in Rome—were frequent. Temple prostitution was commonplace. The city of Corinth, a center of religious devotion, became synonymous with sexual immorality. To "corinthianize" was to engage in the most perverted and debauched sexual practices. In the pagan culture of Rome, homosexuality was commonplace and accepted.

The Greek and Roman gods and goddesses were men and women larger than life. They fought, they schemed, they lied, they got drunk, they raped, and they committed incest. The Romans worshiped twelve major gods and goddesses and thousands of lesser gods, which had arisen from the animism of early Rome. There were gods for war, fertility, love, harvest, travel, doors, and so forth. Each god and goddess had his or her own sphere of influence; the devout Roman did not worship one god to the exclusion of others, but worshipped all as the circumstances demanded. Prayers and pilgrimages to shrines and temples were a common part of life in the ancient world. Rome was a very religious society.

Roman and Greek religion was very different from Christianity, not only in its polytheism, but in the fact that the pagan religions did not emphasize learning, understanding, and teaching: They had no sermons, no books to be studied, no doctrine to believe. "The chief objects of pagan religions," Lecky tells us, "were to foretell the future [through the study of animal entrails and later the questioning of oracles], to explain the universe, to avert calamity, [and] to obtain the assistance of the gods. They contained no instruments of moral teaching analogous to our institution of preaching, or to the moral preparation for the reception of the sacrament, or to confession, or to the reading of the Bible, or to religious education, or to united prayer for spiritual benefits."[5]

Those things, to the extent they were done in Rome, were functions of the philosophers, who were both an elite and largely unconnected with the religious cult. Christianity, by contrast, made theological and moral teaching central and available to all, not just to the aristocratic classes thought to be capable of virtue. "Under its [Christianity's] influence doctrines concerning the nature of God, the immortality of the soul, and the duties of man, which the noblest intellects of antiquity

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

could barely grasp, have become the truisms of the village school, the proverbs of the cottage and of the alley."[6]

Because of the variety of gods in Rome, some historians have mistakenly concluded that Rome enjoyed religious liberty. But the command of the Twelve Tables (c. 450 B.C.), as well as the persecution of religious dissenters, makes it clear that religious liberty was not a feature of Roman society: "Let no one have gods on his own, neither new ones nor strange ones, but only those instituted by the State." In the second century after Christ, the pagan jurist Julius Paulus reported a contemporary legal decree: "Of those people who introduce new religions with unknown customs or methods by which the minds of men could be disturbed, those of the upper classes shall be deported, those of the lower classes shall be put to death." The only religions permitted in Rome were those licensed and approved by the State.

Both the Greek polis and the Roman Empire were totalitarian church-states. Socrates was executed for being an atheist, that is, for not believing in the gods of the polis. Many others suffered the same fate. A letter that Pliny the Younger, Special High Commissioner to the provinces of Bithynia and Pontus, wrote to Trajan the Emperor in A.D. 111 illustrates both Rome's treatment of religious dissenters and its lack of a justice system: "This is the plan which I have adopted in the case of those Christians who have been brought before me. I ask them whether they are Christians; if they say yes, then I repeat the question a second and a third time, warning them of the penalties it entails, and if they still persist, I order them to be taken away to prison. For I do not doubt, whatever the character of the crime may be which they confess, their pertinacity and inflexible obstinacy certainly ought to be punished. . . ." In Rome, pertinacity was a crime punishable by indefinite incarceration.

Pliny explained what his subjects were required to do in order to regain their freedom: "Those who denied that they were or had been Christians and called upon the gods in the usual formula, reciting the words after me, those who offered incense and wine before your [the Emperor's] image, which I had given orders to be brought forward for this purpose, together with the statues of the deities—all such I considered should be discharged, especially as they cursed the name of Christ, which, it is said, those who are really Christians cannot be induced to do." In Rome one could escape punishment by worshipping the Emperor and the gods.

In a case in which some persons had anonymously accused their neighbors of being Christians, Pliny "thought it the more necessary . . . to find out what truth there was in these statements [of accusation] by submitting two women, who were called deaconesses, to the torture. . . . Many persons of all ages, and of both sexes alike, are being brought into peril of their lives by their accusers, and the process [of inquisition and punishment] will go on. For the contagion of this superstition has spread not only through the free cities, but into the villages and rural districts, and yet it seems to me that it can be checked and set right. It is beyond doubt that the [pagan] temples, which have been almost deserted, are beginning again to be thronged with worshippers, that the sacred rites which for a long time have been allowed to lapse are now being renewed, and that the food of the sacrificial victims is once more finding a sale."[7] Pliny is pleased to report that his methods of torture and imprisonment are encouraging people to worship the gods, and that business is booming.

In his letter to Trajan, Pliny emphasizes that worshipping the Emperor is the way to avoid punishment. At the time of Christ, the imperial cult was the cult that unified Rome. Tiberius succeeded Augustus as Emperor in A.D. 14. Here are a few excerpts from a letter Tiberius sent to the magistrate of the city of Gytheon, instructing him in the proper rituals of the imperial cult: "Tiberius Caesar Augustus, son of the god Augustus, pontifex maximus. . . . He should place an image of the god Augustus Caesar the father on the first [chair], one of Julia Augusta on the second from the right, and one of Tiberius Caesar Augustus on the third. . . . Let a table [for sacrifices] be set by him in the middle of the theater and an incense burner be placed there, and let the representatives and all magistrates offer sacrifice. . . . Let him conduct the festival on the first day in honor of the god Augustus the Savior and Liberator, son of the god Caesar. . . ."[8]

The worship of the State, in the person of the divine Emperor, was the core of pagan society at the time of Christ.

War and Peace. The pagan world was not peaceful either. Livy reports that the Roman

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Republic was at peace only twice in its entire history, once at the end of the First Punic War in the mid-third century B.C. and once in 30 B.C. after Augustus' defeat of Antony and Cleopatra. Athens, usually considered one of the most peaceful of the Greek city-states, was at war more than two years out of every three between the Persian Wars and 338 B.C., when Philip of Macedon was defeated. The following three centuries were even worse. Athens never enjoyed ten consecutive years of peace.

War was a way of life in the ancient world. In the opening pages of the *Laws*, Plato has Clinias say that "what most men call peace is merely an appearance; in reality all cities are by nature in a permanent state of undeclared war against all other cities." In his dialogues Plato describes a sanitized Athens of intellectuals discoursing and discussing philosophical questions, strolling about the city, eating and drinking from house to house. "Yet for most of the time which Plato describes, Athens was fighting a long and bloody war in which at least half the population died, many of them from a particularly horrifying plague which scarred even those who survived it, and which was partly the consequence of the unsanitary conditions in which vast numbers of citizens were camped, at first in the heat of summer and later all year, on every available space of open or sacred land within the city walls."[9]

As for Rome, "In the half century of the Hannibalic and Macedonian Wars, ten percent and often more of all adult Italian males were at war year by year, a ratio that rose during the wars of the first century B.C. to one in every three males." Finley traces the prevalence of warfare in the ancient world to pagan religion: "Neither the enormously powerful Roman Mars nor the weaker Greek Ares received the slightest competition from the minor divinities of peace. It was always assumed that divine support was available for a war. . . . [T]he gods through their oracles and signs [never] recommended peace for its own sake. . . ."[10] It is revealing that despite perpetual war in Greece and Rome, war was neither the title nor topic of a single ancient philosophical treatise. The *Pax Romana* during the first two centuries of the Christian era, although an improvement from earlier centuries, was punctuated by wars on the Empire's frontiers and the destruction of Jerusalem in A.D. 70.

Economics, Slavery, and Work. At the time of Christ, the population of Roman Italy comprised five to six million free citizens and one to two million slaves. Many slaves worked the mines of the Roman Empire, and they were sometimes forced to live below ground until they died. Slaves were forbidden to marry, and the power of masters over their slaves was absolute. The castes of Roman society—slaves, plebeians, notables, and nobles—were not so rigid at the time of Christ as they had been in earlier centuries, but Roman society remained radically unequal.

The Empire's military conquests resulted in the influx of hundreds of thousands of slaves to Rome. These slaves were used not only for work, but for entertainment as well in the gladiatorial combats that both nobles and proles loved to attend. The enthusiasm of the Romans for gladiatorial shows both produced and reflected a savage delight in the infliction of pain. Thousands of slaves died entertaining the Romans. Because they were unmistakable evidence of the cruelty and will to rule of the Roman elite, the gladiatorial "games" were part of the official celebration of the Emperor in every large city.

Apart from the gladiatorial system, "numerous acts of the most odious barbarity were committed: . . . Flaminius ordering a slave to be killed to gratify, by the spectacle, the curiosity of a guest; . . . Vedius Pollio feeding his fish on the flesh of slaves; . . . Augustus sentencing a slave, who had killed and eaten a favorite quail, to crucifixion. . . . Old and infirm slaves were constantly exposed to perish on an island of the Tiber."[11]

Slavery was not only the ubiquitous practice of the pagan world, it was the theory as well. The best of the Greek philosophers, Plato and Aristotle, defended slavery, for slaves were naturally inferior beings. The treatment of slaves, children, and women reflected the judgment of Aristotle that "the deliberative faculty is not present at all in the slave, in the female it is inoperative, in the child undeveloped." The Christian notion that all men are created in the image of God, and that the image of God is rationality, was foreign to the pagan philosophers and societies.

In any society in which slavery plays a major role, idleness is a virtue. So it was in Rome. The Romans held labor in contempt and scorned those who worked with their hands. The workingman was base and a social inferior. All freedmen were

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

artisans and shopkeepers; most shopkeepers and artisans were freedmen; and all were despised. "No one," Aristotle wrote, "who leads the life of a worker or laborer can practice virtue." The eloquent Demosthenes, defending himself before an Athenian jury, presented his argument this way: "I am worth more than Eschinus [the plaintiff] and I am better born than he; I do not wish to seem to insult poverty, but I am bound to say that it was my lot as a child to attend good schools and to have had sufficient wealth that I was not forced by need to engage in shameful labors. Whereas you, Eschinus, it was your lot as a child to sweep, as might a slave, the classroom in which your father served as teacher." Demosthenes easily won his case.

Seneca, the tutor and later the victim of Nero, wrote that "The common arts, the sordid arts, are according to the philosopher Posidonius those practiced by manual laborers, who spend all their time earning their living. There is no beauty in such occupations, which bear little resemblance to the Good." Cicero believed that "wage labor is sordid and unworthy of a free man, for wages are the price of labor and not of some art; craft labor is sordid as is the business of retailing."

Rome's control over the economy was hampered by the primitiveness of the economy. But wherever economic activity could be controlled, the worldly philosophers and statesmen believed the State had the right to do it. A basic feature of the constitution of Sparta was complete control of economic activity. The silver mines of Laurium were owned by Athens. *Economics*, probably written in the third century before Christ and incorrectly attributed to Aristotle, recounts how rulers filled their coffers by robbery and exploitation of their people. The book assumes that every sort of private property is at the disposal of the state. Hasebroek, writing in *Trade and Politics in Ancient Greece*, reports that the control of economic activity in the poleis was tyrannical.

As for Rome, "wholesale uncompensated confiscation of private estates and peasant farms to provide bonuses for soldiers was not an uncommon practice. . . . Eventually all generations of workers—oil-suppliers, butchers, fish handlers, bakers, transport and mine workers, and minor government officials—were frozen in their occupations to stabilize taxes and balance the budget."[12] For the pagans, statecraft was soulcraft. Fustel de Coulanges concludes that "The Ancients, therefore, knew neither liberty in private life, liberty in economics, nor religious liberty."[13]

Life and Death. In the ancient world abortion, the exposure of infants, infanticide, and suicide were common and legal. At the coming of Christ, the Roman governor in Judea, Herod the Great, in an attempt to murder Jesus, ordered that all the male infants in Bethlehem and the region surrounding it, from two years old and younger, be put to death.

The head of the Roman family had the power of life and death—*patria potestas*—over his children and slaves. At birth, the midwife would place the newborn on the ground, where he would remain unless the father took the child and raised him from the earth. If the father did not raise the child, he—or more likely she—was left to die in some public place. The pagans exposed their children because they were poor, ambitious, or concerned about their "quality of life": "so as not to see them corrupted by a mediocre education that would leave them unfit for rank and quality," to quote Plutarch. The first Christians rescued thousands of children discarded by the pagans. Thousands were also rescued by pagans, who would raise them to be slaves and prostitutes. If infants were born with defects, they were frequently killed, rather than exposed. Infanticide was not merely the practice of the pagans, it was their doctrine as well: Plato and Aristotle endorsed infanticide, and Seneca wrote: "What is good must be set apart from what is good for nothing."

According to Roman law, the power of the father over his children remained as long as he lived. An adult Roman man could do nothing without his father's consent; his father could even sentence him to death.

The contrast between paganism and Christianity is clearest in these matters of life and death. In his *History of European Morals*, Lecky writes: "The first aspect in which Christianity presented itself to the world was as a declaration of the fraternity of men in Christ. Considered as immortal beings, destined for the extremes of happiness or of misery, and united to one another by a special community of redemption, the first and most manifest duty of a Christian man was to look on his fellowmen as sacred beings, and from this notion grew up the eminently Christian idea of the sanctity of all human life. . . ."

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Gladiatorial contests in Ancient Rome.

It is not the laws of nature that determine behavior or ethics, for "nature does not tell man that it is wrong to slay without provocation his fellowmen. . . . [I]t is an historical fact beyond all dispute that refined, and even moral, societies have existed in which the slaughter of men of some particular class or nation has been regarded with no more compunction than the slaughter of animals in the chase. The early Greeks, in their dealings with the barbarians; the Romans, in their dealings with gladiators, and in some periods of their history with slaves; the Spaniards in their dealings with Indians; nearly all colonists removed from European supervision, in their dealings with an inferior race; and an immense proportion of the nations of antiquity, in their dealings with new-born infants —all have displayed this complete and absolute callousness. . . ."

Rather than the laws of nature, it was the teaching of Christianity that changed ancient culture: "Now it was one of the most important services of Christianity that, besides quickening greatly our benevolent affections, it definitely and dogmatically asserted the sinfulness of all destruction of human life as a matter of amusement or of simple convenience, and thereby formed a new standard, higher than any which existed in the world.

"The influence of Christianity in this respect began with the very earliest stage of human life. The practice of abortion was one to which few persons in antiquity attached any deep feeling of condemnation. . . . In Greece, Aristotle not only countenanced the practice, but even desired that it should be enforced by law when population had exceeded certain assigned limits. No law in Greece, or in the Roman Republic, or during the greater part of the Empire, condemned it. . . . A long chain of writers, both pagan and Christian, represent the practice as avowed and almost universal. They describe it as resulting, not simply from licentiousness or from poverty, but even from so slight a motive as vanity, which made mothers shrink from the disfigurement of childbirth. . . . They assure us that the frequency of the crime was such that it gave rise to a regular profession.

"If we pass to the next stage of human life, that of the new-born infant, we find ourselves in [the] presence of that practice of infanticide which was one of the deepest stains of the ancient civilization. . . . Infanticide . . . was almost universally admitted

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

among the Greeks, being sanctioned, and in some cases enjoined, upon what we should now call 'the greatest happiness principle,' by the ideal legislations of Plato and Aristotle, and by the actual legislations of Lycurgus and Solon."[14]

But it was not only public violence that was condoned and encouraged at the time of Christ; suicide was also a virtue. "Suicide was accepted, even admired. The courage of the man who decides to end his suffering and accept eternal rest was extolled by the philosophers, for suicide proved the truth of the philosophical notion that what matters is the quality and not the quantity of time that one lives."[15]

Law and Government. Rome is commonly supposed to have given us our system of justice, but the law of Rome at the time of Christ was quite unjust: "In a society as unequal and inegalitarian as the Roman, it is obvious that formal rights, however clear, had no reality, and that a weak man had little to gain by going to court. . . ."[16]

Veyne gives this example of Roman law: "Suppose that all I own in the world is a small farm. . . . A powerful neighbor covets my property. Leading an army of slaves, he invades my land, kills those of my slaves who try to defend me, beats me with clubs, drives me from my land, and seizes my farm. What can I do? A modern citizen might say, go to court . . . to obtain justice and persuade the authorities to restore my property. . . .

"For one thing, the aggression against me by my powerful neighbor would have been considered a strictly civil offense; it would not have been covered by the penal code. It would have been up to me, as plaintiff, to see to it that the defendant appeared in court. In other words, I would have had to snatch the defendant from the midst of his private army, arrest him, and hold him in chains in my private prison until the day of judgment. Had this been beyond my power, the case would never have been heard. . . ."

If, however, the victim succeeds in raising an army, capturing his enemy, bringing him to trial, and winning, "it then would have been up to me to enforce that judgment, if I could. . . . [A] judge could not sentence a defendant simply to restore what he had taken. Leaving my farm to its fate, the judge would authorize me to seize my adversary's chattels real and personal and sell them at auction, keeping a sum equal to the value placed on my farm by the court . . . and returning the surplus to my enemy. Who would have considered recourse to a system of justice so little interested in punishing social transgressions?"

But the systemic injustice of the Roman legal system was compounded by its systematic corruption. "A Roman noble (or even a mere notable) [had] more in common with [a] 'godfather' than with a modern technocrat. Getting rich through public service . . . never stood in the way of taking public service for one's ideal. . . .

"The honest functionary is a peculiarity of modern Western nations. In Rome every superior stole from his subordinates. The same was true in the Turkish and Chinese empires, where baksheesh was the general rule. . . . Every public function was a racket, those in charge 'put the squeeze' on their subordinates, and all together exploited the populace. This was true during the period of Rome's greatness as well as during the period of its decline. . . . Even the least important public positions . . ., such as apparitor or clerk of the courts, were sold by their incumbents to aspiring candidates, because every position carried with it a guaranteed income in the form of bribes. . . . Ancient bureaucracy was nothing like our bureaucracy. For millennia sovereigns relied on racketeers to extort taxes and control their subjects."[17]

Even the renowned Roman legions operated this way. Tacitus tells us that "Soldiers traditionally bribed their officers for exemption from service, and nearly a quarter of the personnel of every regiment could be found idling about the countryside or even lounging around the barracks, provided their officer had received his kickback. . . . Soldiers got the money they needed from theft and banditry or by doing the chores of slaves. If a soldier happened to be a little richer than the rest, his officer beat him and heaped duties upon him until he paid up and received dispensation." Cicero, himself a senator, wrote that the "senatorial way to get rich" was to plunder the provinces under one's jurisdiction. Cicero prided himself on his honesty: After governing a province for a year, he was making the equivalent of a million dollars per year, a sum considered quite small.

The World After Christmas

Christ was born within this pagan culture. But his kingdom, as he explained later, while it was *in*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

this world, was not of it.[18] It found its source, its authority, and its principles elsewhere. Instead of the prevailing polytheism of Greece and Rome he taught monotheism: "I and my Father are one."[19] Instead of the sinful and limited gods of paganism, Christ taught the holy and transcendent God, creator of heaven and earth, ruler of all things. Instead of the pagan gods whose primary pastimes were violence, sexual immorality, and indolence, he taught a rational God who plans and works: "My Father works even until now, and I work."[20] He reiterated and explained the Ten Commandments with their condemnations of idolatry, of the use of images and statuary in worship, of profanity, of disrespect for parents and the Lord's Day, of idleness, of murder, of sexual immorality, of theft, of lying, and of covetousness.[21] Even more important than the law, Christ bestowed grace to enable sinners, helpless in themselves, to believe and obey. Instead of the pagan notion that if men are to have truth, they must discover it on their own power, he taught that God graciously reveals truth to men, and that the revealed truth is written so that all, not just the aristocratic few, might know.

Against the totalitarianism of the pagan world empires, Christ taught the limitation of state power and the separation of church and state: "Render therefore to Caesar the things that are Caesar's, and to God the things that are God's."[22] Neither Caesar nor any other man was Pontifex Maximus. Christ himself was the way, the truth, and the life, the only mediator between God and man. He explicitly challenged the political regimes of the pagans: "You know that the rulers of the Gentiles lord it over them, and those who are great exercise dominion over them. Yet it shall not be so among you; but whoever desires to become great among you, let him be your servant."[23] Christ demanded that rulers serve, not control, their people. He outlined a limited role for civil government, not as the shaper of souls, as in pagan philosophies, but simply as the punisher of criminals. He founded a church whose government was republican, whose leaders were elected by the people, and whose constitution was written. Inspired by his words, the American Founders made their plans for a new Republic, a government of the people, by the people, and for the people.[24]

The early Christians, condemned by learned pagans[25] such as Celsus and Porphyry as stupid, foolish, and superstitious, were not killed for their stupidity, but because they rejected the highest value of pagan society: worship of the totalitarian state. The Christians rejected Aristotle ("The State is the highest of all. . . . Citizens belong to the State. . . .") and followed Christ. Christ, in dying for the salvation of individual men, exalted both the individual and God. God is eternal and men are immortal; nations and rulers pass away. After Christ, Rome was no longer the eternal city; now, only individual men were immortal.

Christ taught that man was a creature of God and the lord of creation. Man's ancestry was not animal, but divine, and the earth was made for man. Individual men were immortal; what they believed and did on earth would have eternal consequences. After death, they did not descend into a shadow land, but were required to give an account of their lives to their maker and judge. All men were equal before God and his law, and each man would be judged individually. The groups of pagan society—the nobles, the proletariat, the slaves, the citizens, the men, the women, the barbarians—meant nothing to God. In the new Christian faith, "There is neither Jew nor Greek, there is neither slave nor free, there is neither male nor female; for you are all one in Christ Jesus."[26]

Because Christ's rule was to be accomplished by persuasion rather than coercion[27]—it was to be an empire of ideas, not violence—it has taken centuries for Christian ideas to be believed and absorbed into practice. Nevertheless, as the anguished wailing of Friedrich Nietzsche in the nineteenth century so clearly indicates, that absorption of ideas has been widespread, though far from complete.

The Impact of Christianity. Harold Berman has outlined the spread of Christianity and its effect on society in these words: "Under the influence of Christianity, the Roman law of the postclassical period reformed family law, giving the wife a position of greater equality before the law, requiring mutual consent of both spouses for the validity of a marriage, making divorce more difficult . . . , and abolishing the father's power of life or death over his children; reformed the law of slavery, giving a slave the right to appeal to a magistrate if his master abused his powers and even, in some cases, the right to freedom if the master exercised cruelty, multiplying modes of manumis-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

sion of slaves, and permitting slaves to acquire rights by kinship with freemen; and introduced a concept of equity into legal rights and duties generally, thereby tempering the strictness of general prescriptions."[28] Even the codifications of Roman law that came with Justinian and later were due to the belief that "Christianity required that the law be systematized as a necessary step in its humanization."

Christianity had the same effect on the barbarians who entered Rome in A.D. 410: "The rulers of the Germanic, Slavic, and other peoples of Europe during roughly the same era (from the fifth to the tenth centuries) presided over a legal regime consisting chiefly of primitive tribal customs and rules of the blood feud. It is more than coincidence that the rulers of many of the major tribal peoples, from Anglo-Saxon England to Kievan Russia, after their conversion to Christianity, promulgated written collections of tribal laws and introduced various reforms. . . . The Laws of Alfred (about A.D. 890) start with a recitation of the Ten Commandments and excerpts from the Mosaic law. . . ."

The Reformation. But it was not until the Reformation that the teachings of Christ largely freed themselves from the melange of pagan and Christian law that prevailed during the Middle Ages. Martin Luther's courageous rejection of ecclesiastical tradition and authority in the name of revelation and reason laid the theological foundation for the emergence of religious freedom in the modern world. The result was political, civil, and economic freedom.

Berman argues that "the key to the renewal of law in the West from the sixteenth century on was the Protestant concept of the power of the individual, by God's grace, to change nature and to create new social relations through the exercise of his will. The Protestant concept of the individual will became central to the development of the modern law of property and contract. Nature became property. Economic relations became contract. . . . The property and contract rights so created were held to be sacred and inviolable, so long as they did not contravene conscience [informed by Scripture]. . . . And so the secularization of the state, in the restricted sense of the removal of ecclesiastical controls from it, was accompanied by a spiritualization, and even a sanctification, of property and contract."[29]

After Luther came Calvin: "Calvinism has also had profound effects upon the development of Western law, and especially upon American law. The Puritans carried forward the Lutheran concept of the sanctity of individual conscience and also, in law, the sanctity of individual will as reflected in property and contract rights. . . . [S]eventeenth century Puritans, including men like [John] Hampden, [John] Lilburne, [Walter] Udall, William Penn and others, by their disobedience to English law, laid the foundations for the English and American law of civil rights and civil liberties as expressed in our respective constitutions: freedom of speech and press, free exercise of religion, the privilege against self-incrimination, the independence of the jury from judicial dictation, the right not to be imprisoned without cause, and many other such rights and freedoms. We also owe to Calvinist congregationalism the religious basis of our concepts of social contract and government by consent of the governed."[30] Our debt to Greece and Rome has been exaggerated; our debt to Christianity has been ignored.

Judea Against Rome

Despite the progress made in Europe and America since the sixteenth century, a resurgence of paganism now threatens Western civilization. Among modern philosophers it is the nineteenth-century pagan Friedrich Nietzsche who has best understood the "revaluation of all values" that Christianity achieved. Christianity overthrew the "aristocratic values" of Greece and Rome and established a new set of values.

In his *Genealogy of Morals* Nietzsche wrote: "The symbol of this struggle, inscribed in letters legible across all human history, is 'Rome against Judea, Judea against Rome.' There has hitherto been no greater event than *this* struggle, *this* question, *this* deadly contradiction. . . . One has the right to link the salvation and future of the human race with the unconditional dominance of aristocratic values, Roman values. . . . The Romans were the strong and noble, and nobody stronger and nobler has yet existed on earth or even been dreamed of."[31]

Nietzsche longed, not only for the values of the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

noble Greeks and Romans, but for their gods as well: "[T]he conception of gods in itself need not lead to the degradation of the imagination . . . [for] there are nobler uses for the invention of gods than for the self-crucifixion and self-violation of man in which Europe over the past millennia achieved its distinctive mastery—that is fortunately revealed even by a mere glance at the Greek gods, those reflections of noble and autocratic men, in whom the animal in man felt deified and did not lacerate itself, did not rage against itself."[32]

Nietzsche denied that man was lord of the creation: "We no longer derive man from 'the spirit' or 'the deity'; we have placed him back among the animals. . . . Man is by no means the crown of creation; every living being stands beside him on the same level of perfection."[33] Anticipating the neo-pagan environmental movement of the twentieth century, Nietzsche declared: "Our whole attitude toward nature, the way we violate her with the aid of machines and the heedless inventiveness of our technicians and engineers, is *hubris*. . . ."[34]

But Nietzsche's aristocratic paganism did not merely herald the environmental movement; it was an omen of the eruption of political and economic paganism in the twentieth century. Nietzsche decried "the poison of the doctrine of 'equal rights for all. . . .' 'Immortality,' conceded to every Peter and Paul," he screeched, "has so far been the greatest, the most malignant, attempt to assassinate *noble* humanity."[35]

Nietzsche praised the values of Rome: "What is good? Everything that heightens the feeling of power in man, the will to power, power itself. What is bad? Everything that is born of weakness. What is happiness? The feeling that power is growing, that resistance is overcome. Not contentedness, but more power; not peace, but war; not virtue, but fitness. . . ." He "welcome[d] all signs that a more manly, a warlike, age is about to begin, an age which, above all, will give honor to valor once again."[36]

Before he finally went insane, Nietzsche called himself the Antichrist, for he despised Christianity, its "slave morality," and its civilization. For the past century paganism has been resurgent, but it will end: Christ will continue to crush world empires, and of his government and peace there shall be no end. □

1. Daniel 2.
2. "The Roman Empire," v. 16, pp. 380-381.
3. The ancient world was one "in which a large part of the labor force worked under various forms of non-economic compulsion, in which for a long period and over wide stretches of territory gladiatorial combats to the death provided the most popular form of public entertainment for the elites and the masses alike, in which brigandage and piracy and reprisals were often encouraged and even practiced by 'civilized' governments." M.I. Finley, *Ancient History* (New York: Penguin Books, 1987), pp. 70-71.
4. Acts 17:16.
5. W.E.H. Lecky, *History of European Morals* (London: Watts and Company, 1946 [1869]), Part II, p. 1.
6. Lecky, p. 2.
7. Ramsay MacMullen and Eugene N. Lane, editors, *Paganism and Christianity 100-425 C.E.* (Minneapolis: Fortress Press, 1992), pp. 164-165.
8. MacMullen and Lane, pp. 74-75.
9. Oswyn Murray, "Life and Society in Classical Greece," *The Oxford History of the Classical World* (New York: Oxford University Press, 1986), p. 205.
10. M.I. Finley, p. 68.
11. Lecky, Part I, p. 127.
12. E.G. Weltin, *Athens and Jerusalem* (Atlanta: Scholars Press, 1987), p. 34.
13. *The Ancient City* (Garden City: Doubleday, n.d.), pp. 222-223.
14. Lecky, Part II, pp. 9-11.
15. Murray, p. 229.
16. Paul Veyne, "The Roman Empire," *A History of Private Life* (Cambridge: Harvard University Press, 1987), p. 166.
17. Veyne, pp. 167, 97-98, 100.
18. John 18:36.
19. John 10:30.
20. John 5:17.
21. Matthew 5-7.
22. Matthew 22:21.
23. Matthew 22:20.
24. The words are, of course, Lincoln's, but he got them from John Wyclif, who wrote of his English translation of the Bible: "This Bible is for the government of the people, by the people, and for the people."
25. It is an odd fact that there are so few references to Christianity among the extant writings of the pagan scholars and philosophers. It is almost as if they did not see the coming of Christianity, just as they were unaware of the coming of Christ. Perhaps it was because Christ was a Jew and the son of a carpenter, and Christianity was not a movement of the aristocratic classes, but of the scorned business, worker, and slave classes.
26. Galatians 3:28.
27. "Go therefore and make disciples of all nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit, teaching them to observe all things that I have commanded you. . . ." Matthew 28:19-20.
28. Harold Berman, *The Interaction of Law and Religion* (London: SCM Press, 1974), p. 53.
29. Berman, pp. 64-65.
30. Berman, pp. 66-67.
31. First Essay, section 16.
32. Second Essay, section 23.
33. *The Antichrist*, section 14. One might contrast Nietzsche with John Calvin, who wrote: "Men themselves...are the most illustrious ornament and glory of the earth. If they should fail, the earth would exhibit a scene of desolation and solitude, not less hideous than if God should despoil it of all its other riches." *Commentary* on Psalm 24.
34. *The Genealogy of Morals*, Third Essay, section 9.
35. *The Antichrist*, section 43.
36. *The Gay Science*, 283.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Markets in the Post-Cold War Era: Controlled or Free?

by Amy L. Sherman

A Capitalist Revolution?

The fall of the Berlin Wall in November 1989 sent tremors rippling further than those of the most powerful earthquakes. Across the globe, ideologies of state control were shaken at their foundations. Even before November, "perestroika" had begun to move south. President Salinas of Mexico had adopted an economic reform program dubbed "Thatcherismo," Carlos Menem was pursuing a decidedly un-Peronist battle against inflation in Argentina, and Fernando Collor de Mello of Brazil had explained that his red-tape slashing and bureaucracy-pruning campaign was "based on the fact that the state cannot remain with the power of interference that it has today in the Brazilian economy . . . The state is inefficient, the state is corrupt, the state is incompetent, and the state is gigantic."[1]

The rhetoric was less enthusiastic in the African less developed countries (LDCs), but nonetheless encouraging. The example of Botswana seemed to be sinking in: its open economy and relatively pluralistic political system had made it the fastest growing economy in black Africa.

In Eastern Europe, many democratic party spokesmen, former dissidents, and religious and human rights activists were revolutionary in their calls for a complete overthrow of the Communist economy and thoroughgoing reform efforts toward the legalization of private property, privatization of state-owned enterprises, openness to international trade and private foreign investment, and decontrol of state authority over pricing, production, and distribution decisions.

All in all, a capitalist revolution appears underway throughout much of the globe—with the exception of a few recalcitrant holdovers such as China, Cuba, and North Korea. Though enthusiasm for the free market is only lukewarm among some regimes, the stubborn facts of socialism's demise and the bankruptcy—both moral and economic—of statist ideology have taken their toll. Sensible leaders accept matter-of-factly the need to restructure radically their state-strangled economies.

Statist Holdovers

Of course, there are a few quarters where the lessons learned from the last forty years of development experience and from the collapse of the statist model in the last few years have not, apparently, registered. Academia seems to provide a fallout shelter immune from the tremors of the Communist crash. At a recent conference I was challenged vehemently by several professors for asserting that the Sandinistas' political and economic model in Nicaragua had been carried out at grave human cost.

Amy L. Sherman is author of Preferential Option: A Christian and Neoliberal Strategy for Latin America's Poor *(Eerdmans, 1992) and editor of* Stewardship Journal. *This paper was prepared for the 1992 General Meeting of the Mont Pelerin Society in Vancouver, B.C.*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Moreover, many in the religious community who had apologized for Marxist ideologies of varying stripes remain unrepentant. Radical publications, such as *Sojourners,* tried to salvage the socialist dream by arguing that it was "undeniably true" that the socialist ideal in the Soviet Union and Eastern Europe had been "severely handicapped" by the two world wars and the Cold War. It warned the citizens of the East emerging from under the rubble not to rush headlong toward democratic capitalism, which was full of contradictions.[2]

Voices from the environmental fringe also seem disturbed by the new enthusiasm for democracy and capitalism (despite the fact that the formerly Communist world was home to the worst environmental degradations). Prophets of an ecological apocalypse see the transnational problems of global warming, deforestation, and desertification as requiring new, powerful international institutions with authority to mandate the details of individuals' lives in the name of environmental protection. Green police governments must protect Mother Earth from what nasty humans, given too much latitude (and longitude), might do to her.

The fall of Communism, in other words, has not brought us the happy "end of history" where democratic-capitalism will *inevitably* triumph. There are many reasons for hope and enthusiasm that economies in our post-Cold War era will be free. The indictments leveled against state control in the last few years have been many and persuasive and real reforms are underway in a variety of contexts. The march of history does seem to be on the side of human freedom. But even if Communism, the most obvious expression of anti-capitalist animus, has for the most part withered away, more subtle, but virulent, threats to free markets have emerged. Four are discussed below.

The Green Religion

As noted above, one new nest of statist enthusiasm is the environmental movement. To be sure, some of the more responsible thinkers have recognized the clear evidence suggested by the Eastern European experience: namely, that "public control" led to far worse environmental degradation than seen in countries espousing free markets and private property. That controlled economies permitted worse environmental practices ought to have been expected: without property rights and a strict liability structure, stewards of the public domain are personally removed from the responsibility for enhancing the value of what they manage. In some accounts of the fall of Communism in the former Soviet Union (e.g., *Ecocide in the USSR* by Murray Feshbach and Alfred Friendly), the greens were closely aligned with the democratic movement, and even gave rise to it in certain quarters. Many of the "earthkeepers" seem to recognize that decentralized regimes and an economic and legal system connecting private property rights and responsibilities offer far greater promise for environmental protection than does centralized, bureaucratic regulation. But not all of them.

In a speech at a recent conference on the environment, former Secretary of the Interior Donald Hodel related an incident that had "opened his eyes" to the extremist elements in the environmental movement. He had been called to testify in front of a Congressional subcommittee on the Department's performance in managing designated wilderness areas. He had already been informed that a number of unauthorized and unlawful entries into such areas had been made, but had confirmed that none of them had inflicted any lasting damage on the environment. Indeed, following revegetation, it was impossible to tell that there had been any entries. Confident that this information would reassure those concerned about such entries, Hodel was shocked at the reaction he witnessed from the environmentalists. To them it was immaterial that the entries had caused no damage; the point was that the "sacred" lands, the "holy of holies" had been "defiled" and desecrated by human entry.[3]

The kind of spiritual commitment to "Mother Earth" revealed by this response characterizes a noteworthy segment of the environmental movement. The so-called "Gaia Hypothesis"—which basically imparts divinity to "Mother Earth"—animates many environmentalists. Some scholars may be skeptical of the significance of a bunch of "tree-huggers" clinging to strange new quasi-religious beliefs, but the phenomenon should not be dismissed.

More than one analyst has noted the "myth-generating potency" of socialism.[4] Simply put, a society is held together not just by practical needs or interests but "by beliefs that explain and justify its particular institutional arrangements."[5] Social-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ism's mythic power has largely been broken (though some Western academics remain entranced by its apparently hypnotic quality); hence, the way has opened for new "myths" to justify statist control. Apart from what one may believe about religion, its persistence into the modern world would suggest that individuals, despite the pressures of secularization, continue to long for a sense of the transcendent. Socialism, in its time, provided that sense for some, substituting for religious belief. Neo-paganism, the New Age movement, and the pantheistic tendencies of much of the green movement all suggest that individuals are searching for a substitute for transcendence. Many are now finding it in the environmental movement. The green religion, much like the socialist one before it, provides justification for state-controlled economies and centralization. If socialism had to restrict individual economic liberty in order to create the workers' paradise, environmentalism requires an expansion of government control to prevent humans from despoiling "the only planet we have" in order to protect life as we know it.

The apocalyptic character of environmental alarmism only increases its mythic potential and attraction. After all, if the ozone layer really is depleting, if the globe really is warming and the result really will be untold chaos, destruction, flooding, and famine, then perhaps the recommendations of the environmental fringe—nationalization of businesses by the green bureaucracy, enforced sterilization for population control, and the establishment of extremely powerful transnational authorities to regulate polluting activities—do not appear so radical. Consequently, the success of this extremist, quasi-religious segment of the environmental movement in attracting a significant following poses a substantial threat to the viability of free markets in the future.

Rising "Fair" Trade

A second sobering reality reining in our confidence in the "inevitability" of free markets is continued protectionism in the industrial countries. This threat is subtle in two ways. First, average tariff rates among the developed nations have generally declined, giving the impression of reduced protectionism. Second, talk about the need to address the problem of protectionism has gone on for so long—witness the seemingly endless Uruguay Round of the General Agreement on Tariffs and Trade (GATT)—that people's ears are not as sensitive to it as they ought to be.

Protectionism remains a serious problem, despite the progress made in tariff reduction. Nontariff barriers and so-called voluntary export restraint agreements have proliferated. The United States has its own favorite protectionist practices—such as "anti-dumping laws" and import quotas—revealing that even the loudest defender of free trade ought not cast the first stone against other offenders such as Japan.[6] The notorious MultiFibre Arrangement—which applies stringent restrictions on exports of Third World textiles to the developed nations—began as a "temporary" measure in 1962 and is still on the books. Then there is the European Economic Community's coordinated agricultural policy that shuts out competition in various agricultural commodities. All of these arrangements make little *economic* sense. Australian and New Zealand farmers produce cheese substantially cheaper than do their French counterparts, but they cannot sell their less expensive goods to Western European consumers. Protectionist barriers are erected in response to *political* pressures on domestic governments by the protected industries and individuals.

If the Uruguay Round is unsuccessful in concluding some new agreements to deal with these kinds of blatant violations of the spirit of free trade, at least two sobering consequences are likely. World economic growth will suffer, perhaps leading to recessions that will give even further impetus to protectionism, fueling a vicious cycle. Underdeveloped countries will grow increasingly frustrated with the trade barriers they face and may abandon the market-oriented reforms they have started that emphasize—drawing on the successful model of the East Asian newly industrializing countries (NICs)—production for export. Neither of these possible outcomes is heartening for free market enthusiasts.

Reactions to Structural Adjustment

A third factor conducive to the persistence of controlled markets relates to the prospects for structural adjustment in many LDCs. Structural adjustment—the attempt to transform state-centered economies into market-centered ones

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

through monetary reform, lowering tariff barriers, rationalizing the exchange rate, decontrolling of domestic prices, privatization, and reducing government spending—is never an easy or uncontroversial process. Its potential for success resides largely in a widely shared perception that the costs of adjustment are worth bearing, that the bitter medicine of austerity will prove a healing balm for critically ill economies and usher in a better future.

The historical and empirical evidence of the last forty-some years in development experience in the Third World provides an adequate basis for optimism. The divergent experiences of Latin America and East Asia, for example, suggest a few, easily accessible lessons about which development models work and which do not. At the risk of oversimplification, one can argue that LDCs that opened their economies to the rigors of international competition through outward-looking trade regimes; that allowed market mechanisms to guide investment, production, and pricing decisions; and that provided a legal structure securing property rights performed better, on a variety of economic indicators, than countries that hid behind protectionist barriers, strictly regulated foreign investment and domestic businesses (for example, through import-licensing bureaucracies and government marketing boards for agricultural goods), and created an atmosphere of unpredictability through nationalizations and expropriations. Simply put, these "lessons," and others concerning the importance of fiscal prudence, restrained monetary policy, and a competitive exchange rate, are embodied in the best-designed structural adjustment programs. Consequently, countries that persevere in reforms of this nature should have some confidence about their efficacy.

Political realities, though, often force reform-implementing regimes to backtrack. In some instances, fragile democracies fear that adjustment programs will endanger their new political experiments by creating levels of social protest that encourage a military coup "to restore order." We need not, however, be long delayed by this contention. Professor Karen Remmer has conducted perhaps the most thorough study of the possible connection between austerity and the breakdown of democratic regimes. After analyzing 114 stabilization attempts by regimes in nine Latin American countries, Remmer concluded that democratic governments proved no more vulnerable to breakdown than authoritarian ones. Indeed, the breakdown rate for the latter was slightly higher. On the basis of this research, Remmer asserts that "the political risks of stabilization have been overdrawn."[7]

The more significant political problem is the maintenance of adjustment in the face of the real social dislocations—and hence grumbling—it produces. Typically, the "losers" under adjustment are politically vocal and well organized: they include unionized urban labor, previously protected domestic industries, and the bureaucrats who amassed personal fortunes by virtue of their control of various economic "goodies" under the mercantilist red-tape jungle that prevailed before the reforms. The "winners" under adjustment—usually rural farmers who see food prices rise to market levels, small entrepreneurs in the informal economy who benefit from deregulation, and labor-intensive export sectors who thrive under new free trade practices—are less politically powerful and more geographically dispersed. The reform-implementing government must consolidate a pro-reform coalition to back structural adjustment, and, while not impossible, this is a difficult undertaking.

Meanwhile, often well intentioned non-governmental organizations (NGOs) raise loud criticisms against adjustment measures, putting pressures on local governments and international actors (such as the World Bank and the IMF). These NGOs are located at the "grassroots" and witness firsthand the painful initial consequences of adjustment—higher food prices, rising unemployment in industry, and cutbacks in government social services. Lacking a broader macro-economic (and longer-term) perspective, these groups sometimes assert that the adjustment medicine is killing the patient.

A consortium of NGOs calling themselves the "NGO Working Group on the World Bank," for example, issued a policy paper in late 1989 criticizing the Bank's support of structural adjustment. It argued that the dismantling of state-owned enterprises in the developing countries should be slowed and that the Bank's emphasis on export promotion should be diminished.[8] These groups unfortunately have failed to distinguish between the suffering caused by the deep recessions created by populist excesses that made adjustment reforms necessary in the first place; the suffering

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

arising from the dislocations of austerity itself; and the suffering rooted in the abandonment, delay, or distortion of adjustment programs. Their position paper is marred by disturbing arguments that appear to call for a return to the protectionist and populist policies that brought so many LDCs to their current ruinous state.

The need is great, therefore, for a loud reaffirmation by development practitioners of what the empirical record demonstrates: namely, that the costs of not adjusting are far worse than those of adjusting. Nonetheless, though important and necessary, such declarations are of little practical comfort to the individuals bearing the painful burdens of adjustment. Some creative policy responses to lighten those burdens (such as the Bolivian Emergency Social Fund), in ways that do not conflict with the aims of adjustment, are helpful.

To sum up, if adequate steps are taken by reform implementing regimes to alleviate some of the costs of adjustment, popular support for reform will be more likely. The developed countries can help further by reducing their protectionist barriers against LDC exports and generally pursuing market-oriented policies to encourage global economic growth. Structural adjustment reforms will be more likely to be sustained and successful in the context of a growing world economy that provides markets for LDC exports. When formerly statist, protectionist LDCs see it is in their best interests to persevere in market-oriented reforms, the chances are obviously greater that they will. But their enthusiasm for free markets is likely to wane if the sacrifices of adjustment do not lead to improved economic health because the developed world is shutting its doors to increased exports.

Moral Decay

The final factor checking an "inevitable" triumph of free markets may appear tangential, but it is central. It is, for lack of a better term, "moral decay" in the industrialized world and particularly in the United States.

The American Founding Fathers and latter-day philosophers of freedom have long recognized a connection between virtue and freedom. Even Thomas Jefferson, who was not so influenced by orthodox Christianity as, say, James Madison and George Washington, affirmed that "the practice of morality" was vital "for the well-being of society."[9] A sense of "internal constraints" was necessary for life together in a free society if liberty were not to become license.

The free market functions only when it is embedded in a public legal order aimed at ensuring justice, open and equal access, and equality before the law. But beyond the formal structure, it is also necessary that the actors participating in the market system have some inclination toward charity and that they embrace ideals of integrity, honesty, and fairness. Some level of social trust and cooperation is necessary if market exchange is to flourish; likewise, some sense of future-orientation and self-restraint is necessary if capital is to be saved and reinvested.

Now, men are not angels (as *The Federalist* reminds us) and free markets work in spite of this. But markets work less well when men act like indulgent, materialistic, selfish devils: the result of such behavior is often rising levels of indebtedness, economic stagnation due to lack of investment, and growing disillusionment (especially among the impressionable young) about capitalism, which becomes exclusively identified with "greedy capitalists" like Ivan Boesky. Once again, we return to Peter Berger's observation that capitalism is "singularly devoid of plausible myths": it seems to lack the ability to enliven its own passionate defense. Moreover, it can quickly become the object of scorn when it is "disfigured" by the morally reprehensible actions of participants "cut loose" from ethical moorings. Problems that are really "moral-cultural" in nature come to be identified as economic in nature, and calls for greater regulation and state control follow.

Conclusion: Some Reasons for Optimism

The discussion above is not meant to discourage enthusiasts of democratic-capitalism, only to note that challenges to economic liberty remain even in a world where its principal antagonist has been defeated. Although we may wish it were otherwise, continued vigilance by the defenders of political and economic freedom is required in the post-Cold War period.

But, to close on a brighter note, several factors conducive to the sustenance and growth of free markets worldwide can be briefly mentioned.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

> Every great industrialized Western nation, not excluding the United States, owes a very great part—indeed, the major part—of its present technical knowledge and productivity to discoveries, inventions, and improvements imported from other nations. Notwithstanding the elegant elucidations by the classical economists, very few of us today appreciate all that the world and each nation owes to foreign trade, not only in services and products, but even more in knowledge, ideas, and ideals.
>
> Government-to-government foreign aid promotes statism, centralized planning, socialism, dependence, pauperization, inefficiency, and waste. It prolongs the poverty it is designed to cure. Voluntary private investment in private enterprise, on the other hand, promotes capitalism, production, independence, and self-reliance. It is by attracting foreign private investment that the great industrial nations of the world were once helped. It is so that America itself was helped by British capital, in the nineteenth century, in building its railroads and exploiting its great national resources. It is so that the still "underdeveloped areas" of the world can most effectively be helped today to develop their own great potentialities and to raise the living standards of their masses.
>
> —HENRY HAZLITT, *"Foreign Investment vs. Foreign Aid"*

Clearly, the economic miracle of the East Asian "tigers" (Hong Kong, Singapore, Taiwan, and South Korea), and the impressive performances of a trio of newly industrialized countries—Chile, Indonesia, Malaysia —have had a far-reaching impact throughout the developing world. In 1989, Mexican Foreign Minister Fernando Solana stated:

> For more than five years now, we have been shifting toward an export strategy and opening the economy to foreign capital . . .the success of the Pacific Basin countries has influenced our strategy.[10]

Even LDCs previously committed to statist agendas cannot help but reconsider their approach in light of the successful East Asian model.[11]

Moreover, the international development agencies are playing a more constructive role now than they had in the 1970s, when they contended that Third World *governments* had to be the primary actors in development. Massive government-to-government foreign aid transfers were implemented, with money often spent on huge, capital-intensive, prestige projects. Many World Bank officials seemed to believe bigger was necessarily better; they appeared skeptical of the potential for indigenous entrepreneurship; and they seemed to assume that industrialization could be achieved regardless of how badly the agricultural sector was squeezed. Now, the rhetoric is far more encouraging: there is intense interest in the phenomenon of the informal sector (though it took the publication of Hernando de Soto's landmark book, *The Other Path*, to jumpstart this discussion in the broader policy community); there is a new emphasis on labor-intensive, export-oriented production, a reaffirmation of the doctrine of comparative advantage, and a subsequent concern to free agricultural prices and marketing and otherwise take more seriously the conditions of farmers; and there is increasing stress on the importance of non-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

state economic actors as more efficient channels of foreign aid funds. Though one would not want to overstate the case, the World Bank today does seem more committed to free market principles and liberal economics than it did a few decades ago.[12]

The collapse of Communism also means an end to the Kremlin's funding of Communist satellite states, and it is not unreasonable to hope that this signals the death knell of such regimes. Fidel Castro continues to cling to power in Cuba, but with the economy imploding and nobody in Moscow to rescue him, a new Cuban revolution of some sort seems inevitable. One only hopes it will be more like the Velvet Revolution than the Romanian one, to spare Cubans further suffering after what they have already endured for over three decades.

Finally, the best hope for the future of free markets may be the flowering spirit of liberty around the globe. Inclinations toward the centralization of political and economic power do remain in the post-Cold War world and can be seen in the Islamic regimes, the geriatric elite in the People's Republic of China, the military despots of Africa, and among small pro-Communist movements surviving in Eastern Europe and the former USSR. Nevertheless, in the last few historic years, the world has witnessed numerous brave acts of individuals fighting for freedom—the students in Tiananmen Square, Solidarity workers in Poland, artists and intellectuals in Czechoslovakia, Lutheran human rights activists in what was East Germany. Their example both breathes new life into the "freedom dream" and reminds us that man does not live by bread alone. Citizens of the East who took their lives in their hands by rushing the streets fought for much more than the fancy washing machines, designer jeans, and VCRs enjoyed by their Western European neighbors. The Revolutions of 1989, though indisputably protest movements against political and economic repression, were fundamentally revolutions of the "spirit." As the idea of liberty—that man was created to be free and that freedom is not only practical, in terms of facilitating economic prosperity, but normative, as the only condition befitting man's dignity— gains more and more adherents worldwide, the institutions of liberty, democratic governance, and free markets will find fertile soil. □

1. Quoted in James Brooke, "Bad Times, Bold Plans for Brazil," *New York Times* (January 7, 1990), section III, p.4.

2. See Gar Alperovitz, "Building a Living Democracy," *Sojourners* (July 1990), pp. 11-23.

3. Donald Hodel, Address at the World Vision Washington Forum on "The Stewardship of Creation: The Effect of Environmental Change on the Poor," May 2, 1992, Washington, D.C.

4. The phrase is Peter Berger's, from his remarkable work, *The Capitalist Revolution: Fifty Propositions About Prosperity, Equality & Liberty* (New York: Basic Books, 1986), p. 195.

5. Berger, p. 194.

6. See James Bovard, "Toxic Dumping," *The New Republic* (December 9, 1991), p. 18; and "Bush Protection," *The New Republic* (January 20, 1992), p. 9. In fairness, it should be noted that Japan's levels of protection are worse than the United States'.

7. See Karen Remmer, "The Politics of Economic Stabilization: IMF Standby Programs in Latin America, 1954-1984," *Comparative Politics* (October 1986), pp. 8-9. Remmer's findings would be even more persuasive if her study included stabilization attempts made after 1984. Since that time, austerity and liberal economic reforms have been sustained in Chile, and even produced economic growth that led to pressures for political liberalization. Bolivia's civilian government has managed to persevere in its reform program, though the political pressures have been significant, and President Jaime Paz Zamora has hinted at his willingness to employ "the Peruvian solution" if continued deadlocks between his executive branch and the legislature continue. Alberto Fujimori's "auto-coup" in Peru provides some fodder for those critical of economic reforms—to wit, that they cannot be successful unless implemented by an authoritarian regime. Fujimori's actions, however, cannot be easily explained by economic factors alone. He seems to have become extremely concerned about the political machinations of former President Alan Garcia, including Garcia's corrupt relations with much of the Peruvian judicial system and his alleged gathering of an armed political force. In this interpretation, the coup resulted more from Fujimori's desire to purge the judiciary of Garcia's influence and address the possible armed threat from Aprista extremists than from a belief that market-oriented reform could continue only if democratic processes were suspended.

8. "Position Paper of the NGO Working Group on the World Bank," (December 1989).

9. See Edward Boykin, ed., *The Wisdom of Thomas Jefferson* (New York: Doubleday, Doran & Co., 1941), p. 128.

10. Quoted in "Mexico's Move to the Market," *New Perspectives Quarterly* (Fall 1989), p. 42.

11. The policies of these newly industrializing countries were not "laissez faire" in a strict sense, but they did appreciate the central role of the free market.

12. Skeptics are correct to point out that the Bank's free market rhetoric is ahead of the reality of its lending practices. Most aid is still channelled through governments, and the enforcement of conditionality (making continued aid contingent on the recipient's adherence to market-friendly reforms) leaves much to be desired. Nonetheless, the Bank has opened conversations with the private and NGO sectors about the channelling of aid through such institutions and its recent major policy statements (e.g., the annual World Development Report) reveal a markedly more favorable disposition toward liberal economics than those of the 1970s.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Are There No Limits to Federal Regulatory Power?

by Russell G. Ryan

Most of us recall from our civics classes the quaint notion that our federal government is one of "limited" and "enumerated" powers. We might also remember that James Madison, in his *Federalist* No. 45, assured skeptics of a central government that "[t]he powers delegated by the proposed Constitution to the Federal government are few and defined." For those of us who took Madison and our civics teachers at their word, the ubiquitous tentacles of today's federal behemoth can be positively bewildering, often causing us to scratch our heads and wonder: "What happened?"

For example, several weeks ago I spotted some ants crawling on my kitchen floor. Frustrated that I had no insecticide designed specifically to kill ants, I reached for a popular wasp and hornet spray, confident it would do the job just as well. And as the commercial might say, "BANG!" Those poor critters would have fared better against a neutron bomb.

As I sat back to savor the victory, however, I noticed an intimidating warning on the back of the spray can (reminiscent of the proverbial mattress tag threatening all manner of trouble if it is removed): "It is a violation of Federal law to use this product in a manner inconsistent with its labeling." Had I really committed a *federal* offense? Admittedly, I had used a wasp and hornet spray to obliterate a few ants, and worse yet I had, contrary to the directions on the can, sprayed indoors and at very close range. But could our government of *limited* and *enumerated* powers really make a federal case out of how I choose to kill bugs in my own kitchen?

The following day in my law office, I determined to find the answer. I was sure that the power to regulate pesticide use was not among the enumerated powers granted to Congress in the Constitution—nor was even a more general power to regulate chemicals or kitchens. Yet, as I soon discovered, even without such specific enumerated power, Congress had indeed enacted an elaborate regulatory scheme for pesticides, called the Federal Insecticide, Fungicide, and Rodenticide Act, section 12(a)(2)(G) of which actually does outlaw the use of any pesticide inconsistent with its labeling. Moreover, as the statute expressly contemplates, the federal Environmental Protection Agency has in turn promulgated hundreds of pages of further rules and regulations governing pesticides, including one that explicitly requires all pesticide labels to include a warning that "It is a violation of Federal law to use this product in a manner inconsistent with its labeling."

The constitutional authority cited for this massive regulatory scheme, like that cited for many similar schemes enacted by Congress, is Article I, Section 8, clause 3 of the Constitution, which empowers Congress to "regulate Commerce . . . among the several States." How, you might reasonably ask, does my kitchen use of a bug spray constitute interstate commerce? If you need to ask, you obviously did not spend three years and tens of thousands of dollars on a law school education. But don't feel too bad; many of us who did spend the time and money to get through law school still—if I may borrow the trendiest phrase

Russell G. Ryan is a lawyer and free-lance writer in Washington, D.C.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of the political season—"just don't get it."

As any law student will tell you, the so-called "commerce clause" of the Constitution, like much of the rest of the document, simply no longer means what it plainly says. For the past half century, the Supreme Court has interpreted the phrase "Commerce among the several States" to include not just commerce that occurs between or among two or more states, but virtually any activity that might, however remotely and indirectly, have a theoretical effect on such commerce, even if the activity occurs entirely within the borders of only one state.

Wickard versus *Filburn*

In fact, this November marks the 50th anniversary of perhaps the most infamous of all of the Supreme Court's commerce clause decisions, *Wickard* v. *Filburn* (1942), which rejected a farmer's challenge to the Agricultural Adjustment Act of 1938. In earlier challenges to President Franklin Roosevelt's New Deal, the Supreme Court had struck down several other regulatory schemes on the grounds that they unconstitutionally exceeded the federal government's power to regulate interstate commerce. By 1942, however, despite the failure of his "court-packing" plan, President Roosevelt was able to fill a sufficient number of court vacancies to obtain a far more liberal jurisprudence regarding federal regulatory power.

Mr. Filburn was the owner and operator of a small dairy and poultry farm in Ohio. Each year, he also raised a small quantity of wheat for the sole purposes of feeding his animals, feeding his own family, and seeding for the following year. Although his entire wheat crop was consumed on the farm property and no part was sold on the market, Filburn was subjected to a massive new marketing quota scheme dictated from Washington pursuant to the Agricultural Adjustment Act, the essential purpose of which was to prop up the price of wheat. When Filburn exceeded his "wheat acreage allotment" for 1941, the feds slapped him with a statutory penalty.

In order to uphold the penalty against Filburn as a permissible regulation of "commerce among the several States," the Roosevelt Court had to overcome two inconvenient facts: The offending wheat crop was never entered into the stream of commerce, and it never left the State of Ohio (or, for that matter, the boundaries of Filburn's farm). The Court overcame the first of these hurdles by magically redefining the word "Commerce" to mean not only the buying and selling of goods, but also the "consumption" of goods. It overcame the second by citing earlier decisions that had already rewritten the phrase "among the several States" to mean *either* among the several States *or* within only one state but having a substantial economic effect, whether direct or indirect, or interstate commerce. For sticklers who might question the Court's apparent infidelity to the plain language of the Constitution, the Court explained that economic realities had "made the mechanical application of legal formulas no longer feasible."

Even having rewritten the Constitution, however, the Court still needed to explain how one Ohio farmer's small wheat crop, used entirely for home consumption, could have a "substantial economic effect" on interstate commerce. In a brilliant demonstration of the result-oriented jurisprudence of the day, the justices reasoned—unanimously!—that wheat grown solely for home consumption "supplies a need of the man who grew it which would otherwise be reflected by purchases in the open market," and that although Filburn's own contribution to this depression in the demand for wheat "may be trivial by itself," his contribution, "taken together with that of many others similarly situated, is far from trivial." (Even the law professors get a chuckle when they explain this reasoning.)

After 50 years, *Wickard* v. *Filburn* endures as a classic example of how the Courts have stretched, pulled, and twisted the plain language of the Constitution beyond recognition, effectively rewriting key provisions without having to go through the formal amendment process set out in Article V. The decision also serves as a reminder of how our "limited" federal government has steadily grown into a leviathan bureaucracy that consumes over a quarter of the country's gross domestic product in order to regulate even the distance from which we spray insecticide in our kitchens. □

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Food Police Are Watching You

by K.L. Billingsley

The current worldwide recession has hurt business and labor but does not appear to have caused any hardship in America's federal bureaucracy. Alert regulators were recently patrolling the town of Reedley in California's San Joaquin Valley, a rich source of fruits and vegetables for the entire United States. But there was trouble.

It wasn't that the fruit was rotten or contaminated. The problem was size. It seems that the federal government cares so much about the health of consumers that they have established minimum size regulations for peaches and nectarines. Bigger is better. In Reedley, some growers' peaches and nectarines were "slightly smaller than federal standards."

Farmers are calm, practical people. The size of the fruit they produce is a matter largely out of their hands. California has been in the throes of a drought for several years. The Reedley growers doubtless wondered whether squads of regulators running around measuring peaches and nectarines constituted a wise use of their tax money, especially during a recession.

In spite of massive federal subsidies, some farmers still understand the way the free market works. Two parties agree on a price and make an uncoerced exchange from which both believe they will benefit. This is the way free, responsible people act when left to themselves.

One farmer wanted to sell his crop to low-income consumers in Los Angeles, where recent riots have inflicted additional economic hardships. If the price is right, people in that market are not likely to be concerned if the product is on the small side. Fruit spoils quickly and the growers may well have ended up giving the stuff away. There would have been many takers.

But the federal food police blocked this free exchange. Cheap or free, the fruit did not meet federal size standards. That meant that nobody could have it at any price. People could not be allowed to make their own decisions in the matter.

Federal regulators ordered millions of pounds of perfectly good food to be dumped on a dirt road where it was left to rot in the sun. One could hardly ask for a more vivid parable of arrogance, stupidity, and waste.

All any bureaucracy can do is follow the rules. It matters not if the rules are destructive to the health, freedom, and property of citizens. The regulators must follow orders. They are just doing their job. That is all they can do.

Here is callous disregard for human welfare and common sense (remember "waste not, want not"?), neither of which impinge on the bureaucratic regime. This episode should be brought up in all discussions about how much the government "cares."

And does the fruit episode amount to a "taking" of private property by the state without due compensation? Local judges and civil liberties' groups appear uninterested in the question. The incident also confirms that bureaucracies are indeed intrusive. Are there not legitimate problems for federal workers beyond the size of peaches and nectarines? Or is the quest of the

Author and screenwriter K. L. Billingsley writes about California for the Spectator.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

regulators, as many fear, to justify their positions by finding new ways to complicate life?

Such intrusions are many, and are a major reason that the state can't do what it is supposed to do—protect life, liberty, and property. The Los Angeles riots showed the state's inability to protect innocent civilians from random violence. But citizens can sleep tight knowing that the state's ability to order the destruction of perfectly good food remains secure.

The newly liberated nations of Eastern Europe appear determined not to repeat errors of their own recent past, in which statist dogma quashed private initiative and made life miserable. For the most part, they look to the free market for solutions. In America, on the other hand, politicians of both major parties still hail the state as a problem solver.

The federal government is the nation's largest employer and by far its largest squanderer of money. The federal deficit continues to grow and American competitiveness continues to decline. Yet no major candidate ties these problems to the ever-encroaching state.

Meanwhile, to use Whittaker Chambers' illustration, the statist revolution that began in the thirties continues "inching its ice cap over the nation." The Reedley farmers would probably not be surprised if, having dumped their fruit as ordered, they found themselves busted for pollution by the Environmental Protection Agency. □

Introducing the first volumes in FEE's dynamic new series,
The Freeman Classics:

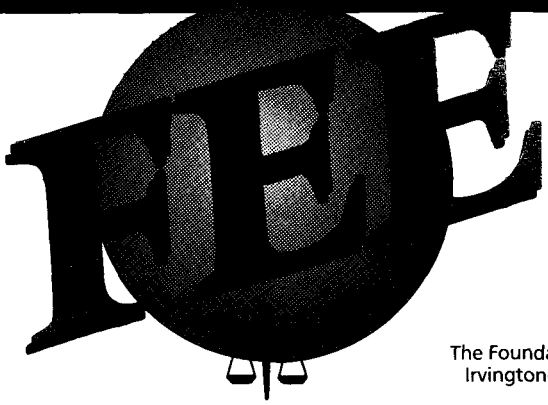
Volume I:	**The Morality of Capitalism**	**$11.95**
Volume II:	**Private Property and Political Controls**	**$14.95**
Volume III:	**Prices and Price Controls**	**$14.95**

Each collection contains more than a dozen essays, selected from earlier issues of *The Freeman* for their cogency of thought and character of presentation. Contributors include Ludwig von Mises, Leonard Read, F.A. Hayek, Henry Hazlitt, and Clarence Carson.

To order, please phone or write The Foundation for Economic Education, 30 South Broadway, Irvington-on-Hudson, NY 10533.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

NOTES FROM



The Foundation for Economic Education
Irvington-on-Hudson, New York 10533
Tel. (914) 591-7230
Fax (914) 591-8910

December 1992

AMBIVALENT VOTERS

Most Americans sense that something is wrong. They have an eerie feeling about the federal government spending hundreds of billions of dollars it does not have and owing a debt of trillions of dollars. After all, in their personal lives they learned very early that what they don't owe won't hurt them. He is rich who owes nothing. And they may have learned in their history classes what Thomas Jefferson said about government debt: "I place economy among the first and most important of republican virtues, and public debt as the greatest of the dangers to be feared." And in a letter to a friend he wrote: "The principle of spending money to be paid by posterity, under the name of funding, is but swindling futurity on a large scale."

The federal government obviously lives by fiscal principles which differ diametrically from those of our personal lives and from those postulated by Thomas Jefferson. We are quick to find fault with those principles and place the responsibility on the shoulders of politicians and officials whom we hold in low regard anyway. Unfortunately, we fail to search our own conscience which, if searched in earnest, would reveal our own responsibility and culpability. In fact, the majority of the American people is solely responsible for the federal spending predilection and the pyramid of trillion-dollar debt.

Although most people readily support reduction in federal spending, they balk at virtually every proposal of specific cuts. A nationwide poll conducted by the *Wall Street Journal* and NBC News, for instance, found that 86 percent oppose reductions in Medicare spending, 69 percent oppose reductions on social spending for the poor. There are more than 90 million Americans who benefit directly from one or several transfer programs. They are unlikely to oppose the largess.

Many more Americans benefit indirectly. The retirement benefits of some 35 million beneficiaries lend aid and comfort to millions of young people who otherwise would have to assist their parents. The Medicare and Medicaid programs which finance the medical care of more than 50 million aged, disabled, and needy Americans benefit not only the recipients but also the families which otherwise would provide the medical care. The subsidies to some 7 million students benefit not only the students but also many

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

more parents, relatives, and spouses who otherwise would provide the assistance. The federal government subsidizes more than 100 million meals per day, or 15 percent of all meals served, through food stamp programs, child nutrition programs, nutrition programs for the elderly, and commodity distribution programs. All the recipients are likely to object strenuously to any reduction in benefits although they all are moaning about the budget deficits.

The benefits received are concrete and visible; the harmful psychological, economic, and political consequences of the programs are hidden in the haze of popular notions and prejudices. It takes knowledge and reasoning to perceive that forcible transfer of income and wealth erodes individual character and morale, that it consumes economic wealth and lowers labor productivity and income, and weakens democratic institutions. It is a potent prescription for stagnation and poverty, and an open invitation for social and political conflict.

It is difficult to confront the entitlement system with economic arguments. They are utterly ineffective against passionate descriptions of human need and want. "We cannot afford it" is an invitation to instant rejection and ridicule. At its best, it initiates a search for funds which leads to ugly denunciations of people with funds.

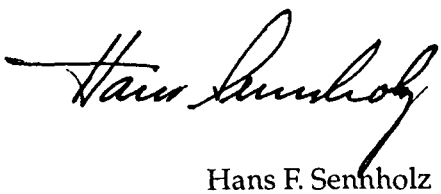
To perceive the evil consequences of political largess requires a sense of morality and justice which must guide all our actions. The established rules of morality must be applicable to individual as well as political conduct. We must keep our promises, fulfill our contractual obligations, and respect the rights of property acquired under contract.

Above all, we must reject the notion that political action is not bound by the decencies of that code of law and morals which governs private conduct.

The present system of political entitlements and largess rests on a universal rejection of that code of law and morals. Our representatives in the Congress deal and wheel and engage in feverish logrolling in order to distribute and redistribute the entitlements. In a democratic society the only principle guiding their action is the majority vote. In all cases the will of the majority prevails; the minority which lacks the vote is likely to become its victim.

More than 200 years ago James Madison clearly foresaw the social and political conditions of our age. In a speech in the Virginia Convention in 1788 he declaimed: "On a candid examination of history, we shall find that turbulence, violence and abuse of power, by the majority trampling on the rights of the minority, have produced factions and commotions which, in republics, have, more frequently than any other cause, produced despotism."

The destiny of a republic in which the majority thrives on entitlements forcibly extracted from minorities is despotism — unless the majority forgoes its numerical power and returns to the code of morals. The road ahead is clear. We may proceed in the old direction toward despotism or veer around and return to the proven ways of the republic. The choice depends on the moral attitude we adopt toward other people, especially the political minority. Morality itself is eternal and immutable.



Hans F. Sennholz

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

RELIGION AND CAPITALISM: ALLIES, NOT ENEMIES

SPECIAL REPRINT EDITION

by Edmund A. Opitz
with a new foreword by Robert A. Sirico

In the late 1960s Arlington House Publishers commissioned Edmund A. Opitz of the FEE staff to write a book-length exploration of the relationship of biblical religion to free market economics. The resulting volume, *Religion and Capitalism: Allies, Not Enemies,* was published in 1970 as a Conservative Book Club selection.

Typical of the response to the book's publication was M. Stanton Evans' comment in *National Review:* "Opitz' volume is a major refutation of the Christian-Socialist, social-gospel view that has become so dominant in Western religious thought....[T]he Opitz book, with its unusual combination of economic knowledge and vigorous theism, is a major breakthrough in the scholarship of freedom."

Religion and Capitalism also merited reviews in *The Chicago Tribune, Christian Economics, The Congregationalist, The Presbyterian Journal, Christianity Today, Christian Scholar's Review,* and *Journal of Church and State.*

Edmund Opitz, an ordained Congregational minister, is the founder and coordinator of The Remnant, a fellowship of conservative and libertarian ministers, a founder and secretary of The Nockian Society, and a contributing editor of *The Freeman.* He served as a member of the staff of FEE from 1955 until his retirement in 1992. His July 1991 *Freeman* article, "Biblical Roots of American Liberty," was awarded a $5,000 prize in the Amy Foundation writing Awards for 1991.

In reprinting *Religion and Capitalism,* FEE honors the notable accomplishments of Edmund Opitz, and preserves an intellectual legacy for a future generation of Christian scholars.

Published by The Foundation for Economic Education
328 pages, indexed; bibliography **$24.95** paperback

College Courses in January
January 2-8, 1993

The Foundation for Economic Education is sponsoring special six-day, three-credit courses for students in

Principles of Economics
and
Contemporary Economic Issues
at
Palm Beach Atlantic College, Florida

Tuition, fees, housing, and meals: $795.00

If you are interested, make application for admission to The Foundation for Economic Education and submit a *letter of good standing* from the institution in which you are currently enrolled.

Application deadline: December 10, 1992

Courses may be cancelled for reasons of insufficient enrollment.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

MISES: AN ANNOTATED BIBLIOGRAPHY

A comprehensive listing of books by and about Ludwig von Mises

Compiled by Bettina Bien Greaves and Robert W. McGee with a Preface by Margit von Mises

The academic world is beginning at last to hail the significance of the teachings of Ludwig von Mises (1881-1973). Respected for many years as "the leading spokesman" of the Austrian School of economics, Mises turned out more than 20 serious theoretical volumes and many articles in nearly seven decades of productivity.

This bibliography of books and articles by and about Mises furnishes invaluable material for researching Mises' life and works, as well as his influence. It includes:

- Biographical data.
- Bibliographical information about all editions, translations, and reprints of his books.
- Bibliographical data about his published articles and as many reprints as the compilers have been able to locate.
- A listing of reviews of his books as they appeared over the years.
- A lengthy section listing books and articles commenting on Mises' views.

Economic journalist Henry Hazlitt gave Mises credit for having extended "beyond any previous work the logical unity and precision of modern economic analysis." More and more individuals, particularly in the academic world, are recognizing the importance of Mises' contributions.

Dr. Robert W. McGee is Professor of Accounting at Seton Hall University in New Jersey. Bettina Bien Greaves, a long-time member of the FEE staff and a contributing editor of *The Freeman*, began collecting and keeping records of Mises' works in 1951. Mrs. Margit von Mises, in her preface, calls this bibliography "*the* definitive listing of [Mises'] works and the most complete listing now available of books and articles about him."

Mises: An Annotated Bibliography is an indispensable tool for anyone wanting to know more about Mises and his writings.

Published by The Foundation for Economic Education

408 pages, indexed **$29.95** cloth

You cannot correct all the evils of the world, nor relieve all the poverty in the world. You cannot comfort all in distress, nor support all the underprivileged. But you can stand by FEE which brings the light of freedom to the world.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Workers and Unions—How About Freedom of Contract?

by George C. Leef

All but a few diehard socialists now concede that free markets serve the needs and desires of consumers far better than governmentally sanctioned monopolies or cartels. Fortunately, Americans can usually shop for the goods and services they want in more or less free markets. For only a few things must we deal with a monopoly if we want to deal at all, and in those instances, consumer dissatisfaction is high. The Postal Service immediately comes to mind as an example.

This article is about another instance of consumers being deprived of the benefits of a market: representation in dealing with employers. In the United States, the law prevents the emergence of a market for representational services employees would be willing to pay for in matters relating to their employment. Either you represent yourself or you accept representation by a labor union which may or may not be to your liking. Workers cannot shop around and then contract with the organization they believe will give them the best value for their money. It is my contention that this situation ill serves workers and is a principal explanation for the decline of labor unions in America.

The necessary conditions for the existence of a market are simple. Buyers must be free to shop around for what they regard as the best value, negotiating and entering into a contract with the seller whom they believe gives them that. Sellers must be free to offer any product or service or combination thereof which they think might appeal to prospective customers. The actions of the market participants, it must be noted, are voluntary and usually individual in nature.

One of the many services which people may want others to perform for them is the service of representing their interests in dealing with employers. Most professional athletes, for example, have contracted with agents who represent them in negotiations with team owners. And, of course, many other workers desire to have a third party represent their interests in the determination of pay and working conditions, the handling of grievances, the enforcement of safety standards, and other matters concerning their employment. In the United States, labor unions have historically filled that role.

There is no more reason to object to organizations designed to provide representational services that workers are willing to pay for than there is to object to any other kind of voluntary organization. The only test any association should have to pass is the test of the marketplace: Can it pay all of its expenses out of funds given willingly to it? The test of the marketplace compels all kinds of organizations, both those run for profit and those which are non-profit, to search for the most efficient means of providing people with the goods and services they desire.

Unfortunately, labor unions as they exist under

George C. Leef is Legislative Aide to State Senator David Honigman of Michigan and also an Adjunct Scholar with the Mackinac Center, Midland, Michigan.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

U.S. labor statutes are profoundly non-market entities. They are not voluntary associations of individuals who have common interests and willingly contract with an outsider for the rendering of services they desire. Instead, they are involuntary associations of individuals who, on the basis of a majority vote in which they probably did not even participate, are required indefinitely to accept the "representation" of outsiders. It should not surprise anyone that many people shun that type of association, doubting that the benefits will be worth the costs.

How Unions Gain Exclusive Bargaining Power

For those unfamiliar with labor law, here is how the process works. Suppose that the workers at ABC Widget Company have no union and they bargain individually with the management over wages, benefits, and conditions of work. One day, an employee gets the idea that he and his fellow workers might be better off if the International Widget Assemblers Union (IWAU) represented them in collective bargaining with the management. He and some IWAU personnel begin to solicit signatures of workers on cards calling for an election. If they succeed in getting signatures from at least 30 percent of the workers, they will turn the cards in to the National Labor Relations Board (NLRB). Assuming that nothing is amiss, the NLRB will then set a date for a certification election.

In this election, the eligible workers will choose between representation by the IWAU, or no union representation. (Rarely, workers can choose between two unions or none at all. Unions seldom compete against each other.) If a majority votes in favor of the IWAU, then, under the exclusive representation provision of the law, the IWAU becomes the bargaining representative for all the workers, even those who wanted no union or some other union. Furthermore, the IWAU will remain the exclusive bargaining representative indefinitely. There are no periodic re-elections to test the continuing popularity of the union and its contract never comes up for renewal because there isn't one. The IWAU's relationship to the workers it represents is not one of contract, but simply of governmental fiat.

The law does allow for "decertification" elections. These rare phenomena, however, are not nearly sufficient to give workers anything approaching consumer sovereignty. Decertification elections only occur if at least 30 percent of the workers sign cards signifying that they desire such an election. The employer is not allowed to instigate or assist in this process. Many workers do not know that decertification is an option for them, and among those who do know, many are apprehensive about sticking their necks out in opposition to the union. And finally, to win the election, the opponents need a majority. If they get it, those who still want the union's services are prevented from having them. If a majority votes to keep the union, those who think they would be better off without it are compelled to put up with it.

It is unavoidable that a large number of workers will be dissatisfied under these procedures. That would not be the case if we had not collectivized what should be an individual decision.

Given their legal status which shelters them against having to compete to retain the patronage of those whom they "represent," it is not surprising that labor unions are widely perceived as taking their members for granted. The union leaders have a virtually captive market, and act accordingly. (The Supreme Court has ruled that workers may resign from a union at will, but still must pay fees to the union equivalent to their pro rata share of the cost of collective bargaining. Unions usually calculate that this amount is only slightly less than full dues.) The price of union "services" (dues) is subject to no competitive pressure, and therefore is set as high as the leaders think is safe. Nor is there any reason to believe that the revenues thus raised will be used mainly for the benefit of those who pay them. Huge salaries and perks for the union leaders are the norm. Moreover, vast amounts are lavished on political and ideological causes that have nothing to do with the jobs of the workers, and which many of them oppose.

And while union leaders spend money hand over fist on matters which are not germane to the welfare of the members, they find ways to unburden themselves of matters which are. Consider safety. Unions could conceivably render valuable services to their members if they actively sought out unsafe working conditions, held workshops on how to avoid accidents, and took other steps designed to promote safe working conditions. But union leaders lobbied to get the government to

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

take over the workplace safety field, thus simultaneously saving unions money and enabling them to avoid the blame for mishaps. Similarly, the responsibility for assisting workers who have been laid off has been shunted onto the bureaucrats.

We arrive at the conclusion that unions are state-protected monopolies which act just as you would expect any protected monopolist to act. They maximize profits for their owners and poorly serve their customers. They also devote considerable resources to maintaining their monopoly position against any erosion. That is why you find union spokesmen advocating, always under a smokescreen of concern for the "public interest," laws which limit the freedom of Americans to buy from non-union sources. Modern unions are creatures of coercion, and do not hesitate to employ further coercion to protect themselves from other people's desires to have nothing to do with them.

Restoring the Market Process

I suggest that it is time to reverse course. The National Labor Relations Act has politicized the entire field of labor relations. A return to the common law of contract, tort, and property rights as the governing body of law in employment relations would allow each individual worker to decide for himself if he wanted to join or contract with any organization for representation services when dealing with management. In any firm, you might find that some percentage of the workers are represented by Union X, some percentage by Union Y, and some percentage choosing no union representation at all. Unions X and Y would find themselves competing to retain their customers and expand their clientele. They would have to worry about losing business if they charged too much, or failed to satisfy the desires of those whom they represent. In short, unions would become service businesses just like any other.

Defenders of the status quo will argue that this reform would allow workers who decide against any union to be "free riders" on the pro-worker accomplishments of the union(s). This is a proposition which is often stated, but seldom argued for. How can it be known a priori that a union will produce benefits for all the employees of the firm, much less that whatever those benefits might be, each employee would regard them as worth the cost?

If Joe Blow, a newly hired and relatively inexperienced worker, fears that union wage demands might cost him his job, and, after weighing the probable gain against the probable loss concludes that the union is not in his best interest, why should others second-guess him and force him to join? Perhaps he gets a raise that he couldn't otherwise have gotten and keeps his job, or perhaps he becomes unemployed. *Ex ante*, it cannot be known whether Joe will be a "free rider" or a victim.

But even more fundamentally, why does it follow that the government should coerce people in order to stamp out "free riding"? All sorts of voluntary activities create what economists call "positive externalities" for others. If you work to keep your home looking nice, your neighbors get a "free ride," but does it follow that they should be taxed to help pay for your desired level of lawn and garden upkeep? If Joe Blow is a "free rider" who benefits to some extent from union endeavors he has not helped to pay for, so what? Those who are willing to pay the costs of the union are not deprived of any benefits thereby.

Of course, the argument might be made that excessive free riding could so undermine the union that it could no longer produce any benefits, but does that remote possibility justify an infringement on employee freedom? I think not. Moreover, I am aware of no instance of a union collapsing due to excessive "free riding" in the many years prior to the passage of the NLRA.

Another argument which would be raised against allowing the market to function in the field of labor relations is that unions would be far less powerful if they did not speak for all the workers. Supposedly, workers must either have monopoly representation or none at all.

Of course, competitive unions would be less "powerful" than are those invested with monopoly status, but power is not necessarily in the best interest of the worker. The power that union leaders cherish has often been wielded with recklessness and arrogance, costing workers their jobs. The good that unions can do for workers, such as improving safety conditions, can still be accomplished even if it requires cooperation among several different unions. In fact, as I have argued above, unions would probably become more effective representatives of the workers whom they serve if they faced the threat of loss of paying customers if they did not do a good job.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Freedom of Contract

The competitive market process is the only way of discovering what goods and services consumers desire enough to pay for. That process requires that consumers be free to contract according to their own values and desires. Unfortunately, we abandoned the individualistic, market-based approach to labor relations in the 1930s. The result has been monopolistic unions which are largely indifferent to the desires of their members.

If we restored the market process to labor relations, workers would be able to contract for just the representation services they wanted with organizations competing for their favor. That would be the most pro-labor piece of legislation imaginable. It would probably lead to an abrupt reversal of those declining union fortunes. It would usher in a new era of cooperation and prosperity. And most importantly, it would restore to American workers a long-lost freedom—the freedom to make their own choices. □

IDEAS ON LIBERTY

Let the Market Decide

. . . . instead of making a union the exclusive bargaining representative for all employees in a firm when it has been selected by only some, the law should see that those who object to the union retain their basic right, as free men, to fend for themselves. When men are forced in the first place to join unions, forced in the second place to go along with all plans and programs conceived by their leaders, and forced in the third place to keep their peace if they wish to keep their jobs (and maybe their health)—it is not at all surprising to find a good many trade-union leaders less than responsive to or honest with their membership.

Power acquired by force and subject to no continuing functional check is bound to corrupt. Corporate managements are kept in line by the right of stockholders to move their equities when they are dissatisfied and by the right of consumers and other purchasers to take their patronage elsewhere without let or hindrance when price or quality are poor. If the house of labor is to be clean, the same general principles must be applied there, with the workingmen of the nation in the position of stockholders and consumers. It is as absurd to expect good clean unionism in conditions of extensive compulsory unionism, as it would be to expect good government in a society where the divine right of kings or the dictatorship of the proletariat was the central political principle.

—SYLVESTER PETRO, "Can Labor Clean Its Own House?" (1958)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

America's Child Protective System: Is It Really Protection?

by Hannah B. Lapp

In San Diego, 8-year-old Alicia Wade was plunged into two and one half years of foster care after a sex abuse allegation was mistakenly pinned on her father. A subsequent investigation of the county's Child Protective Services found the agency biased against parents and "out of control."

In Westchester County, New York, David and Jennifer Beck, along with their parents, have successfully sued county officials on the grounds of "unreasonable search and seizure." A Federal Court judge agreed the children's constitutional rights were violated when they were strip-searched at school in a bungled child abuse inquiry.

In Arizona, David and Tobi Miller went public about their children's removal from their home after they were falsely accused of child abuse. Their case prompted a probe into the state's child protective agency by state legislators.

"I will get over this," says Tobi Miller. "But I worry about my children. This may ruin them. Is that protection?"

Joseph: No Due Process

"Is this protection?" is the sentiment echoed by Joseph Ryan, a small-town teenager from western New York who was abruptly picked up from his school by a team of police officers and social workers. A ruling in Family Court designating his mother, Evelyn, as neglectful for not agreeing to the psychological treatment which a social worker recommended for him was all it took to have him picked up. The judge, without ever speaking to Joseph, agreed to have him placed in a children's home and treated for "schizoid disorder." In the name of child protection, he was forcibly removed from the family he trusted and the home he loved. Joseph calls it a kidnapping.

Child Protective Services, or Family and Youth Services, as the agency is called in some states, is a branch of each county's social services system. The problem with the involvement of social welfare agencies in child abuse issues is that these agencies are not authorized to carry out the functions of law enforcement. In order to bring mistreated children under their jurisdiction, therefore, they must approach child abuse from a position foreign to our justice system. Instead of true investigation and prosecution of a crime, they operate on vague terms such as "offering services" and "protecting a child's best interests." Even those cases which make it to court usually receive only Family Court attention. This means there is no public trial, no jury decision is permitted, and a ruling will be rendered whether or not the accused or the purported victim has a chance to present his case.

Our modern child protection system touts all this as a humane approach, which rehabilitates rather than punishes those afflicted with the "illness" of mistreating their children. However, the claim of helping rather than prosecuting parents gives the system an excuse to sidestep all the "due process of law" protections which are enjoyed by both the victim and the accused under our Constitutional justice system.

Joseph Ryan would have had more rights had he been charged with a crime. As it was, no one was

Hannah Lapp is a dairy farmer and writer in Cassadaga, New York.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

obligated to read him his rights, no one had to explain to him what was happening, his own objections didn't matter, and there would be no opportunity for him to be heard in court.

"I was paraded around the side of the school and into the front parking lot where their car was parked," Joseph recounts in painstaking detail. There are large windows in the front of the school, and you can't tell me the kids are never looking out."

He was scared, he admits, but also "mad." He and his family had been fighting for months against Social Services' efforts to have him removed from home, and he had resolved not to let it happen. But you don't argue with uniformed officers. He had been taught to respect the law and had never been in trouble like some kids his age. So he just asked them what was happening, and why. "No one said anything," he recalls. "But I assumed they were taking me to the children's home, and I was right."

Joseph remembers asking his caseworkers whether his mother had been notified of what was taking place. He was told she was. Although Evelyn was aware of the neglect ruling, she had no indication her son would be picked up on October 13, 1989, the day he failed to return home from school. She learned the truth only after phoning his school.

During the previous couple of years, Evelyn had had unrelated complaints as to the competence of her county's Social Services department. She had voiced some of her grievances in letters to the editor published in her town newspaper. Charging her with neglect would be the agency's way of getting even with her, Evelyn suspected. Sure enough, one of the accusations brought against her in family court referred to those "crazy letters."

That her children should suffer over her own differences with the agency was almost more than Evelyn could take. Even without this added crisis, her two sons had been under stress lately. She was ill with what doctors called a terminal liver problem. The family was barely scraping by financially. On top of that, a close relative had been diagnosed with a brain tumor.

The school Joseph attended reported he had a short attention span and problems fitting in with his peers. At the same time, he excelled in the subjects he liked, such as art. Teachers called him a likeable kid who never made trouble. School officials, including Joseph's school counselor, felt the placement at the children's home was uncalled for. Indeed, everybody who knew Joseph well—his family, his physician, and a social worker from Catholic Charities who worked with the family—were stunned by the diagnosis and treatment recommendations handed down by Social Services.

Joseph had never wanted to see the psychologist who would diagnose him as schizophrenic, but Social Services ordered it. After the diagnosis and his placement in the children's home, Joseph called up the doctor to tell him, he says, how unfairly he felt he was being treated. The same psychologist complained in a subsequent family court hearing that he felt threatened by the phone call. Joseph, meanwhile, was not permitted to speak for himself in court, and was quickly ushered out when he did appear. "I didn't like it at all," he says. "I feel that the most important views were withheld from the court."

In a show of representing the child in family court proceedings, each child is assigned his own "law guardian." Paid by the family court system, this lawyer has no incentive to exert efforts on the youngster's behalf, and particularly not in conflict with the system. Joseph calls the "law guardian" he had "disconnected." She'd take only about ten minutes with him right before a hearing, and he would tell her things were going well at home. "Then," he says, "she'd go into court and say, 'the kids are having problems at home.'"

In the modern version of child protection, all this is nothing unusual, nor should it be changed. As one Social Services spokesman puts it, "All children want to return to their home; the more abused they are, the stronger is their desire to go back."

Since the abused kids don't know what's best for themselves, in the system's eyes, allowing them to speak in court would at best be an inconvenience and at most too traumatic for the child. A court-hired psychologist can recommend that the child not be subjected to an appearance in court, a judge will concur, and no one else has any say.

David: The Best Place Is Home

Convenience apparently goes a long way in some family court cases. A family from Chautauqua County, New York recently came forward

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

with their incredible account of their child's disappearance into foster care after Child Protection Services received a tip he had been spanked by his father. David Gard, Jr., now thirteen, recalls being plucked out of school and cut off from any type of contact with his parents for six months. "I felt abandoned," he recalls. "At times I wondered, 'why do I even exist?'"

An honor student for most of his school years, David was transferred into another school system, one in which he felt uncomfortable. When he pleaded to be allowed to go home, his caseworkers ignored him. "They tried to brainwash me," he says. He explained to them that his father had spanked him for walking on the lake when the ice was thin. "They'd tell me, 'he didn't do it because you misbehaved, he did it because he wanted to,'" says David.

David Gard's family court judge did allow him into the courtroom—but not until after six months away from his family. It took the court another six months to render the decision that home was the best place for him after all. For David, it was a year of separation from the most important people in his life—his parents, grandparents, and siblings. And he cannot forget the pain of missing out on two events that were to have been highlights of his preteen years: a huge family reunion and his uncle's wedding.

Many youths who challenge their treatment by the child protective system run up against a brick wall. Some, like David, are simply ignored when they speak up. Others are told they have to "cooperate," which translates into testifying against their parents, before they can return home.

In Joseph Ryan's case, an attempt to force his way past staff at the children's home to see his mother when she came to visit him was labeled "violent." For this behavior, the facility's psychologist ordered him to take a powerful sedative called Thorazine. The staff told Joseph the pills were "vitamins." He sensed immediately that these were no vitamins, so he found ways to hide them instead of swallowing them.

Evelyn, by then, was allowed weekly visits with him, and this gave him the opportunity to slip some pills to his mother to have them analyzed.

Joseph felt most of the staff treated him favorably, but he remained at odds with the facility's psychiatrist, who treated him as though he were crazy, he says. When Joseph confronted her about the Thorazine prescription, and questioned whether she got her degree "from a crackerjack box," she became upset and ended up threatening him with a "defamation of character" charge.

Joseph's and his mother's strength of will finally did prevail. The drug prescription was discontinued, and the children's home suddenly announced it was discharging him after only five months of the eighteen-month placement were up. The reason cited was Joseph's lack of cooperation with their program, which was blamed on Evelyn's resistance to the placement.

After returning home Joseph proceeded to become an honor student, received awards for his artwork, and now is looking forward to an education and career in the field of engineering.

Joseph Ryan was fortunate, as are all foster children who come through a crazy system with their senses intact.

Perhaps for every Joseph or David, there is another child with a story to tell of actual abuse by parents, which the Child Protective System failed to remedy. It could leave us confused—until we look into the facts. Scrutiny of America's child protective system by researchers such as Allan Carlson for the Rockford Institute, Richard Wexler, author of *Wounded Innocents*, and Mary Pride, author of *The Child Abuse Industry*, reveals a system in such chaos that justice will naturally be the exception rather than the rule.

The Excuse-Makers

Many excuses have been made for this chaos, among them an imaginary lack of funds and overworked caseworkers. These excuses only divert our attention from the erroneous premises on which our nation's entire juvenile court and child protective system is built.

First of all, child abuse issues should never have been removed from the criminal justice system with its constitutional guidelines, to be tossed into an already inept social welfare bureaucracy. That this was done in the name of serving "the best interests of the child" only proves the hypocrisy under which our modern child savers operate.

The social welfare approach to child abuse issues defies justice on every count in which it pretends to be humane. There is counseling instead of prosecution of alleged abusers, which means that actual abusers can get by with just some coddling

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

as soon as they 'fess up, while parents who maintain their innocence can get a sentence sometimes worse than death: the permanent loss of their children. There is the perverted practice of nabbing the victim rather than the perpetrator of an alleged abuse. And there is the arrogant cry of "confidentiality," which asserts that child abuse specifics are too sensitive for the public to be privy to. The list of injustices goes on and on.

However, it suffices to say that there is no reason for our present system to work, and no remedy for its failures, without a return to Constitutional constraints. The founders of our nation realized that a good justice system is hard to come by, and at best, there would be errors, so they were careful to incorporate specific safeguards into their new system of government. Among these safeguards are the security of a person in his own home absent a probable cause warrant, and the right to face his accuser if and when he is tried. Even more crucial to justice are those safeguards which recognize the fallibility of judges and the consequent need for them to be accountable to the general populace. These safeguards include the right to a public trial by jury.

Any worthwhile reforms in our child protective system must therefore include a return to full public scrutiny of the actions of child welfare agencies and courts. I dare say the oppression of youngsters such as Joseph, David, Alicia, and the Beck children, could have been averted had this been done all along. □

IDEAS ON LIBERTY

Rights for Robots

Millions of our people now look to the government much in the same fashion that their fathers of Victorian times looked to God. Political authority has taken the place of heavenly guidance.

Herbert Spencer in that wonderful prophecy, *The Man Versus the State*, explained in detail what would happen. He foretold with exactitude the present rush of the weaklings for jobs as planners and permitters, telling other people what *not* to do.

You will have noticed that while we are all under the thumb of authority, authority becomes composed of those who, lacking the courage to stand on their own feet and accept their share of personal responsibility, seek the safety of official positions where they escape the consequences of error and failure. Active, energetic, and progressive persons, instead of leading the rest, are allowed to move only by the grace and favor of that section of the population which from its very nature lacks all the qualities needed to produce the desired results. Authority is the power to say *no*, which requires little or no ability.

On a broad view, the all-important issue in the world today is *individualism* versus *collectivism*.

The Individualist thinks of millions of single human souls, each with a spark of divine genius, and visualizes that genius applied to the solution of his own problems. His conception is infinitely higher than that of the politician or planner who at best regards these millions as material for social or political experiment or, at worst, cannon fodder.

—Sir Ernest Benn

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Economics and Ethics in the Public Policy of the Free Society

by Alexei M. Marcoux

My economist friend stood aghast upon learning of my support for Proposition 13, the California property tax initiative recently upheld by the U.S. Supreme Court. I argued to him that taxation, being virtually indistinguishable from theft, is morally wrong and therefore any measure circumscribing the taxing power of government—even if only over a select group of citizens (in this case, property owners)—is just. "But," my friend intoned with a note of paternal solicitude, "it's inefficient."

How could I, possessed of an undergraduate degree in economics, embrace a public policy initiative guilty of that unpardonable sin? I reasoned that, in a free society, the state exists for the purpose of protecting persons and property from invasion by others. Consistent with that role, the free state favors markets as the highly efficient—and ethical—means by which individuals arrange their property holdings so as to maximize their well-being. Where improvements in market efficiency demand property rights violations, however, it is market efficiency, not property rights, that must yield. My friend apparently saw it the other way.

In retrospect, it occurred to me that our brief exchange was a microcosm of the current state of public policy discourse. The economist and the ethicist speak mostly past each other. Where they deign to acknowledge one another, each insists, at best, that the other's criterion is subordinate to his own; at worst, that the other's criterion has no place in public policy. This divergence is apparent among advocates of free markets, as well. Free market economists (*e.g.*, Milton Friedman) stress the market's efficiency while taking a seemingly agnostic position in matters of ethics. Free market philosophers (*e.g.*, the early Robert Nozick) stress the ethical soundness inherent in the voluntary nature of market processes while minimizing the importance of efficiency.

One should not, of course, favor inefficient government policies—our deficits (federal, state, and local) are large enough already. Neither, however, should one favor unethical policies on the grounds of their supposed efficiency. What, then, is the correct course when considering issues of public policy?

Efficiency and Ethics

Efficiency and ethics each have a meaningful role in the making of public policy. Moreover, a proper understanding of the nature of efficiency and ethics as evaluational criteria reveals them to be complementary. Consider:

Efficiency is a wholly comparative criterion. That is, a policy or practice is never efficient in and of itself, but only more or less efficient than the alternatives to it. An "efficient" policy becomes inefficient upon the discovery of a more

Alexei M. Marcoux is a native Californian and graduate student in philosophy at Tulane University, New Orleans, Louisiana.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

efficient alternative. Thus, efficiency is a criterion by which alternatives are ranked.

Compare ethics. A policy or practice is ethical (or not) entirely by reference to its content; it either violates an ethical norm or it does not, and this is true irrespective of the alternatives to it. Ethics does not comprise a comparative criterion. It is nonsensical to say that two policies are ethical, but one is more ethical than the other. Rather, ethics provide a benchmark by which to categorize alternatives in a binary fashion, i.e., as "ethical" or "unethical."

Understood in this way, efficiency and ethics need not be traded-off against each other in the making of public policy. Sound public policy is formed in accordance with a simple rule: Choose the most efficient among the ethical alternatives.

Whether ethical or efficiency determinations are made first is immaterial. One can rank all possible alternatives in terms of efficiency and then, beginning with the most efficient, eliminate alternatives until one conforming to ethical norms is found. Conversely, one can categorize all possible alternatives as ethical or unethical and then, after ranking the ethical alternatives in terms of efficiency, choose the most efficient. Either method will yield the same result.

That economics is, as Ludwig von Mises taught, *wertfrei* (value free) does not imply that the making of public policy (even in the economic realm) is value free. That public policy is laden with ethical considerations does not imply that economics is impotent in its formulation. Market ethics and market efficiency jointly bolster the case for a free society. Each can and should be manifest in a free society's public policy.

This raises an interesting question: When my friend called Proposition 13 "inefficient," did he mean that it does not promote efficient markets or that there exist more efficient policies that achieve the same ethical objectives? I must ask him. □

Back in print!

Anything That's Peaceful

The Case for the Free Market

by Leonard E. Read

Anything That's Peaceful was written in 1964, 18 years after Leonard Read established The Foundation for Economic Education. The book, hailed by many as Leonard Read's best, is the fruit of years of experience in lecturing and writing on the free market and related institutions.

"By my title, 'Anything That's Peaceful,'" Mr. Read explains, "I mean let anyone do anything he pleases that's peaceful or creative; let there be no organized restraint against anything but fraud, violence, misrepresentation, predation; let anyone deliver mail or educate or preach his religion or whatever, so long as it's peaceful." Intriguing chapter titles such as "Only God Can Make a Tree — or a Pencil," "The Most Important Discovery in Economics," and "The Greatest Computer on Earth" invite the reader to accompany Leonard Read on his exploration of the wonders of freedom. This handsome new edition, with a foreword by Hans F. Sennholz, is a perfect present.

256 pages, indexed, paperback **$10.95**

(10 copies or more shipped to a single address, $8.00 each)

Please add $3.00 per order for shipping and handling. Send your order, with accompanying check or money order, to The Foundation for Economic Education, 30 South Broadway, Irvington-on-Hudson, New York 10533. Visa and MasterCard telephone and fax orders are welcome: call (914) 591-7230 weekdays or fax (914) 591-8910 anytime.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A Tale of Two Dictionaries

by John P. Finneran

For many centuries, the English and the French languages, lacking formally binding rules, evolved spontaneously, inconsistently, and idiosyncratically. With the advent of the Enlightenment, attempts were made to end this state of linguistic anarchy by standardizing grammar and spelling, most notably through the creation of grammar books and dictionaries. This article deals with two of the most notable of the early dictionaries: the French dictionary created by the French Academy *(l'Académie française)* and the English dictionary created by Samuel Johnson.

The two dictionaries were completed in different ways and at different speeds: the English dictionary was composed by a single man in seven years; whereas the French dictionary was composed by a body of 40 members in an agonizingly slow 55 years. This fact seems bizarre at first; many people, by dividing the work amongst themselves, surely *should* have been able to complete roughly the same task that one man was engaged in in *less* time than it took that one man. Yes, Samuel Johnson was a genius, but the French Academy also had its share of geniuses; even if we were to make the wild assumption that Samuel Johnson had the mental powers of ten Academicians, Johnson would still have been outnumbered by four to one; so surely genius alone cannot explain the vast anomaly. I suggest that much of the contrast can be explained by the ineluctable differences inherent in a collective, government-sponsored effort and in one that is individual and profit-making.

John Finneran is a writer from Marshfield, Massachusetts.

The French Dictionary

The French Academy was established in 1635 by King Louis XIII. The charter of the Academy stated: "There will be composed a dictionary, a grammar, a rhetoric, and a poetics under the observation of the Academy."[1] Thus officially began the project for the French dictionary. Work began in earnest in 1639 under the direction of Claude Favre de Vaugelas. Work was extremely slow and problematic. Indeed, the Academy spent six years (*i.e.,* almost as long as it took Johnson to complete his entire dictionary) working solely on the letter "G." The dictionary appeared at last in 1694.

The 55 years were characterized by, in the words of W. L. Wiley, "ponderous slowness . . . empty pomposity, and . . . wasted formalistic interchanges."[2] This atmosphere was best captured by Antoine Furetière in the following satiric depiction of the workings of a committee of Academicians, which, alas, sounds all too true:

> The one who shouts the loudest is the one who is right; each person gives forth with a long harangue on the slightest trifle. The second man repeats like an echo everything that the first has said, and most frequently three or four of them talk at the same time. In the commission composed of five or six persons, there is one of them who reads, one who offers his opinion, two who chat, one who sleeps, and one who spends his time perusing some dictionary which is on the table. When it is the turn of the second to express his views, the article has to be read to him again because of his distraction during the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

From the Preface to the Dictionary

In this work, when it shall be found that much is omitted, let it not be forgotten that much likewise is performed, and though no book was ever spared out of tenderness to the author, and the world is little solicitous to know whence proceeded the faults of that which it condemns; yet it may gratify curiosity to inform it, that the *English Dictionary* was written with little assistance of the learned, and without any patronage of the great; not in the soft obscurities of retirement, or under the shelter of academick bowers, but amidst inconvenience and distraction, in sickness and in sorrow: and it may repress the triumph of malignant criticism to observe, that if our language is not here fully displayed, I have only failed in an attempt which no human powers have hitherto completed. If the lexicons of ancient tongues, now immutably fixed, and comprised in a few volumes, be yet, after the toil of successive ages, inadequate and delusive; . . . if the embodied criticks of France, when fifty years had been spent upon their work, were obliged to change its oeconomy, and give their second edition another form, I may surely be contented without the praise of perfection, which, if I could obtain, in this gloom of solitude, what would it avail me? I have protracted my work till most of those whom I wished to please, have sunk into the grave, and success and miscarriage are empty sounds: I therefore dismiss it with frigid tranquility, having little to fear or hope from censure or from praise.

—SAMUEL JOHNSON

first reading . . . . No two lines are accepted without long digressions, without somebody telling a funny story or a tidbit of news, or without somebody else talking about conditions in the country and about reforming the government.[3]

Antoine Furetière was a member of the Academy who was expelled from that body for working on a rival dictionary. He produced his dictionary in 1690, four years ahead of the Academy. According to Wiley, Furetière's dictionary "has in general been regarded by posterity as a fuller and more usable instrument than the Academy's dictionary."[4] The Academy accused Furetière of plagiarism and of infringing on the Academy's monopoly on the production of a French dictionary. Furetière vigorously denied both charges, claiming that he had been working independently on his dictionary for 20 years and that he had a rival monopoly. After completing his dictionary, Furetière spent his remaining days writing stinging satires that excoriated the inefficiencies of the Academy.

The English Dictionary

Samuel Johnson had his own problems in producing his dictionary, most notably concerning patronage, or, rather, the lack thereof. Johnson dedicated the plan of his dictionary to Philip Dormer, Lord Chesterfield, in the hope of enticing the latter's financial support. But, save for the negligible sum of ten pounds, such hope was in vain. Lord Chesterfield offered substantial help only when the project was virtually completed. Johnson haughtily refused the belated offer.

Johnson, who, among his other talents, was an

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

accomplished poet, had produced the following couplet in imitation of Juvenal:

> Yet think what ills the scholar's life assail,
> Pride, envy, want, the *garret*, and the jail.

Johnson's unhappy experience with patrons caused him to change the second line to:

> Toil, envy, want, the *Patron*, and the jail.[5]

The financing of Johnson's dictionary came from local booksellers—and here we have one of the great factors speeding Johnson along: Johnson's need to pay back the booksellers, who would profit from the sale of the completed dictionary. Johnson had spent entirely the booksellers' money before he completed the project and, as an affair of honor, he felt compelled to prevent his financiers from suffering a loss. The sheer immensity of the work caused Johnson to take seven years at the task instead of the expected three, but, by working by himself, Johnson was able to avoid all of the "wasted formalistic interchanges" that so bedeviled the Academy. The fact that Johnson worked alone also gave the dictionary a distinctly *individual* flavor. (To be punctilious: Although, for all practical purposes, it is fair to say that Johnson worked alone, he did have six mechanical assistants, and 20 etymologies were provided by Zachary Pierce, the bishop of Rochester.) Johnson's *Dictionary of the English Language* was completed in 1755.

Johnson's dictionary had its share of blunders and omissions, but can still be read profitably today as much for its sparklings of personality and wit as for its formal applications. Here are some examples of Johnson's definitions: *network*: "Anything reticulated or decussated, at equal distances, with interstices between the intersections;"[6] *oats*: "A grain, which in England is generally given to horses, but in Scotland supports the people"[7] (A Scotsman is said to have replied, "Yes, which is why England has the best horses in the world, and Scotland the best people."); *abbey-lubber*: "A slothful loiterer in a religious house, under pretense of retirement and austerity;"[8] *pension*: "An allowance given to any one without an equivalent. In England it is generally understood to mean pay given to a state hireling for treason to his country;"[9] and, my favorite, to *fishify*: "To turn to fish: a cant phrase."[10]

A Poetic Summation

The history of the two dictionaries can be summed up by two verses. The first is Furetière's suggested epigram for the French Academy's dictionary:

> I am this big dictionary,
> Which was for half a century in the belly of my mother;
> When I was born I had a beard and some teeth:
> This fact should not be considered very unusual;
> Since I was at the time fifty years old.[11]

The second is David Garrick's reaction to the publication of Johnson's dictionary (although the difference he attributes to national character, I suggest really should be attributed to the difference between individuals and collective bodies):

> Talk of war with a Briton, he'll boldly advance,
> That one English soldier will beat ten of France,
> Would we alter the boast from the sword to the pen,
> Our odds are still greater, still greater our men . . .
>
> [after citing Shakespeare, Milton, Dryden, and Pope]
>
> And Johnson, well arm'd like a hero of yore,
> Has beat forty French, and will beat forty more![12] □

1. W. L. Wiley, *The Formal French* (Cambridge, Mass.: Harvard University Press, 1967), p. 89.
2. *Ibid.*, p. 93.
3. *Ibid.*, pp. 93-94. Wiley comments (p. 94), "With due allowance for Furetière's likely bias, it sounds as though he might have attended such a committee meeting."
4. *Ibid.*, p. 94.
5. James Boswell, *Life of Johnson* (New York: Oxford University Press, 1970), pp. 186-187.
6. Samuel Johnson, *Johnson's Dictionary: A Modern Selection*, edited by E. L. McAdam, Jr., and George Milne (New York: Pantheon Books, 1963), p. 263.
7. *Ibid.*, p. 268.
8. *Ibid.*, p. 33.
9. *Ibid.*, p. 288.
10. *Ibid.*, p. 181.
11. Wiley, p. 94.
12. Boswell, pp. 214-215.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

BOOKS

WELFARE ECONOMICS AND EXTERNALITIES IN AN OPEN-ENDED UNIVERSE: A MODERN AUSTRIAN PERSPECTIVE

by Roy E. Cordato

Kluwer Academic Publishers, • 160 pages • available from Laissez Faire Books, 800-326-0996, $24.95 plus shipping

Reviewed by William H. Peterson

If every drama has a villain, *perfect competition-general equilibrium* (PCGE) is Roy Cordato's royal knave. PCGE is the welfare economist's paradigm of political correctness, complete with a recommended list of allegedly remedial public policies.

Armed with this PCGE paradigm and fortified with advanced mathematics (as a glance at any professional economics journal will reveal), the mainstream welfare economist assumes a world of perfect competition *and* perfect knowledge. He blithely *imagines* an ideal economic system in general equilibrium in which there is a broad balance of forces facilitating the simultaneous fulfillment of plans by sellers and buyers. He holds that markets are efficient only when market price and marginal cost are equal; he says that in the absence of such equality markets "fail"; he claims that "market failures" further proliferate when market "side" or "spillover" effects lead to "negative externalities" with less than optimal results in terms of prices, production, and pollution.

Not to worry. Father Washington knows best. Market failures are corrected, proclaims the modern exponent of welfare economics, by taxes, subsidies, import quotas, antitrust laws, pollution controls, public utility regulations, and other government weapons, all of which magically do away with the problems that arise in the mainstream welfare economist's imaginary model.

But these problems and solutions are presented to policy makers, says economist Roy Cordato of the Washington-based Institute for Research on the Economics of Taxation (IRET) "without any recognition of the fact that they were developed within a context that bears very little resemblance to the real world."

Why so little resemblance? Dr. Cordato argues persuasively in this scholarly work that the mainstream welfare economist should rethink his PCGE position and see market activity as a dynamic and open-ended process creating demand and supply disequilibrium situations that veer toward but never quite reach equilibrium. He should also see that private property rights are sacrosanct, that value and utility are strictly subjective and therefore unobservable and unmeasurable, that knowledge of market phenomena such as demand curves and unit costs is always imperfect to both market participants and policy makers, that market competition is an entrepreneurially driven information discovery process upsetting some previously coordinated plans as fresh information comes to the fore and the price system adjusts to ever new situations.

It follows that the main answer to dealing with pollution damage is stricter stipulation and enforcement of private property rights so as to allow affronted property holders to claim tort liability and seek redress in the judicial system.

In light of this analysis, it is little wonder that government interventions on behalf of environmental concerns backfire. The concepts of general equilibrium and perfect competition are inherently false guides, says the author, inasmuch as market participants are not robots but real men and women who must ever cope with scarce time, with their own individual responsibilities and resources, with their particularly unique private property rights—i.e., with the world as it actually exists.

In introducing this book, economist Dominic Armentano of the University of Hartford and author of *Antitrust and Monopoly: Anatomy of a Policy Failure*, hails the Cordato logic for filling a gap in Austrian economics and for obviating, among other things, such dubious antitrust tools as market share, concentration, and entry barriers. He writes: "Roy Cordato's new book is both timely and important. Questions of liability and efficiency with respect to negative spillovers are current, cutting-edge public policy issues. In the area of industrial pollution especially, significant private and taxpayer resources have been committed to schemes to redress the 'social costs' of alleged environmental degradation. In addition, government agencies and the courts are increasingly reg-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ulating private behavior in this area. Thus it is important to re-examine the economic rationale for regulating externalities and whether existent public policy is appropriate."

Dr. Cordato has made an important contribution to our understanding of welfare economics. □

Dr. Peterson, adjunct scholar at the Heritage Foundation and Mises Institute, holds the Lundy Chair of Business Philosophy at Campbell University, Buies Creek, North Carolina.

THE SEVEN FAT YEARS—AND HOW TO DO IT AGAIN

by Robert L. Bartley

The Free Press, 866 Third Avenue, New York, NY 10022
347 pages • $22.95

Reviewed by Robert Batemarco

Robert Bartley has written a history of U.S. economic policy during the 1970s and 1980s from a supply-side perspective. Given his position as editor and vice president of *The Wall Street Journal*, he draws heavily from that publication for source material. Thus, it should not surprise us that his book reflects both the *Journal's* disdain for most economic policies of the Nixon and Carter years and its stance as a cheerleader for Reaganomics.

The Seven Fat Years was written with two purposes in mind. The first was to counter the view of so much of the intelligentsia that the 1980s was a period of veritable economic disaster for all but the "rich". Bartley does so by reminding us that the '80s was a decade of flourishing entrepreneurial activity and consequent economic well-being (31 percent growth in real GNP from 1982 to 1990, and the simultaneous massive reduction in the rates of inflation, unemployment, and interest), both in absolute terms and by comparison with the seventies and (so far) the nineties.

The second purpose Bartley had in mind in writing this book was to advocate the continuation and extension of the policies to which he credits these successes. He saw the 1980s as the apotheosis of supply-side economics and his book is a paean to the set of theories bearing that designation. While those theories are by no means without merit, they suffer from several blind spots which provide this reviewer reason to take issue with several of the book's major points.

The author starts with the 1970s (he takes the liberty of defining his decades by policy regime rather than strict chronology, so that his '70s last until the end of 1982) to remind us just what we were up against as the '80s dawned. To quote him: "Still, the fat years were a striking contrast with the nine years between 1973 and 1982, when the economy grew at a rate of only 1.6 percent a year. That miserable period saw four years with actual declines in real GNP; productivity stagnated and poverty grew. By the way, inflation raged, with the consumer price index leaping by more than 10 percent in each of four years—1974, 1979, 1980 and 1981."

Bartley assigns various degrees of blame for this state of affairs to Nixon's New Economic Policy (wage-price controls and dollar devaluation), the Impoundment Act of 1974 (which reduced presidential power to limit government spending), excessive money creation, and rising taxes (mostly as a result of inflation pushing people into higher tax brackets as well as generating fictitious, but taxable, capital gains). Two other contributing factors, the increase of federal regulations (particularly the EPA and OSHA) and the burgeoning expenditures for the Great Society entitlement programs, were omitted but seem to belong here as well.

Against the backdrop of these events, Bartley introduces his readers to the policy discussions of the "inner circle" of the supply-side movement—Arthur Laffer, Robert Mundell, Jude Wanniski, and himself—at the New York eatery Michael 1. The author came away from these deliberations with three major policy prescriptions. To stop the price inflation caused by easy money, the consensus favored tying monetary policy to the price of some commodity, preferably, but not necessarily, gold. Since this price rule would apply to the international economy as well, it would restore fixed exchange rates and, thus prevent the erosion of the international division of labor. To help revive the economic growth (which had slowed to a crawl), they called for steep reduction of tax rates, not only directly but also by indexing both tax brackets and, more importantly, the basis for computing capital gains. Finally, there was agreement that the growth of government spending must be restrained and despair of its being done in the absence of institutional constraints such as a line-item veto or balanced budget rule.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

He proceeds to catalogue the implementation of these policies: the 1978 Steiger capital gains tax cut, the 1982 Reagan income tax cuts (which he characterizes as both smaller and more slowly implemented than desirable), and Volcker's tight money policy, which targeted the money supply through 1982 and price level thereafter. This done, he asserts their efficacy, stating, "As 1982 drew to a merciful close, both sides of the Michael 1 prescription were finally coming into place. The Seven Fat Years started in November."

The supply-side fiscal policies that Bartley advocates, namely lower tax rates and reduced government spending, are admirable. However, his enthusiasm for the policies actually enacted may be misplaced, given that he is settling for no more than half a loaf. As he himself recognizes, because of the much lamented quest for "revenue neutrality" the justly acclaimed rate reductions of 1981 and 1986 were offset, to a large extent, by the elimination of many personal deductions and increases in business taxes in those very same bills, not to mention the increases in Social Security taxes and the tax increases of 1982 and 1984. And government spending fell only in relative terms, never in absolute terms.

On the controversial Laffer Curve, Bartley's effort to rescue it from the caricature which would have it imply that *any* tax rate cut will increase government revenue is successful on its own terms, although his assertion that the prohibitive range starts at 35 percent seems unrealistically low. The real problem with the Laffer Curve is that it *appears* to accept the premise that the raising of tax revenue is the most important justification for reducing tax rates. Philosophical arguments, such as the presumption that taxpayers have first claim to what they have earned in the absence of compelling evidence to the contrary, have never been the supply-siders' strong suit.

Perhaps the most serious weakness of supply-side economics is its treatment of monetary policy and the business cycle. That weakness manifests itself in this book in the notion that recessions are really independent of the booms that preceded them. To quote once more, "... we are not helpless before some inexorable 'cycle.' Without such artificial impediments as wage-price controls or Reg[ulation] Q, expansions can in theory go on indefinitely. . . ." This view rejects the lesson of Austrian business cycle theory that the seeds of recession are already planted by the credit expansion which generates the boom. Bartley makes this quite explicit by criticizing F. A. Hayek's view that "you cannot stop inflation without causing a depression." Indeed, he goes so far as to argue in the face of contrary evidence that "Somehow the abrupt end to inflation did not cause a depression. Somehow, indeed, vigorous growth emerged in 1983." To claim that the 10.8 percent unemployment rate of 1982 was not a depression is to make far too much of the distinction between a recession and a depression.

By calling for price level stabilization as a proper goal of monetary policy, Bartley frees himself from the errors of the seventies only to embrace the errors of the twenties. As much as a monetary policy which stabilized prices is to be preferred to the more obviously inflationary policy currently in effect, it would nonetheless generate malinvestments and the boom-bust cycle. It did so in the 1920s, even though many prominent economists were fooled into declaring that period a "New Era" in which we had rid ourselves of the cycle.

The view that price stabilization is an appropriate monetary policy ultimately rests on the belief that money is neutral. By taking money to be neutral, supply-side economics is oblivious to the extent to which the "seven fat years" were also seven years of fat, much of which would have to be shed in a subsequent recession. The recession which started in 1990 would have occurred even in the absence of the tax hike, S & L problems, and other factors to which Bartley attributes blame. None of this, however, should be taken as a failure to recognize that there were many healthy developments during this period. There were, indeed, and Bartley describes them, albeit incompletely. Conspicuous by their absence in his account were any mention of the deregulation movement (as halfhearted as it was) and the firing of the PATCO strikers, which set the stage for other events which weakened unions' ability to keep wages above their equilibrium level.

To return, however, to the causes Bartley did choose to emphasize, I found his defense of the financial innovations which allocated capital to some of the most productive people in the country, particularly "junk" bonds and leveraged buy-outs, to be well done. He insightfully places those developments in a broader historical context. Indeed, it is interesting to learn here that the bonds of only

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

800 of the 23,000 largest U.S. companies would *not* be classified as "junk."

The parts of this work which I found to be of greatest value were his critiques of two perennial bogeymen: the trade deficit and income inequality. Both have been used with no little success to provide cover for any number of perverse policies—protectionism, currency devaluations, and tax increases, to name only the most obvious. In each case, he shows the basic flaws in the concepts themselves and the substantive harm in enacting the policies they are used to advance. Here he points out the striking fact that a mere $53,711 placed a household in the highest 20 percent of the income distribution in 1989, and $91,751 placed it in the top 5 percent. Widespread knowledge of these figures combined with the realization that many of these incomes are produced by two earners should, I would hope, cool some of the zeal for taxing the "rich" which is currently at a fever pitch.

All in all, this book is a better source of information on the supply-side paradigm than it is of understanding this particular business cycle episode. It reveals the supply-side mind-set to be one which favors piecemeal, even inconsistent, application of free market ideas. The message conveyed throughout this book is that supply-side economists have no inclination to take even the first steps toward dismantling the welfare state. They merely intend to make it more efficient. Anyone looking for a ringing affirmation of laissez faire in these pages will be as disappointed as he was by the policies of the Reagan years described therein. □

Robert Batemarco teaches economics at Marymount College, Tarrytown, New York, and at Dominican College, Orangeburg, New York.

MONEY OF THE MIND—BORROWING AND LENDING IN AMERICA FROM THE CIVIL WAR TO MICHAEL MILKEN
by James Grant
Farrar Straus Giroux, 19 Union Square West, New York, NY 10003 • 513 pages • $27.50

Reviewed by James Picerno

Of all the distortions government creates when it intervenes in the free market process, few, if any, are more deleterious to the economy than when it socializes credit risk. That hasn't stopped the federal government from continuing such policies, though, as documented in James Grant's recent book, *Money of the Mind: Borrowing and Lending in America from the Civil War* to Michael Milken.

Over a period of decades, the federal government has taken it upon itself to "regulate" credit markets, ostensibly to improve safety, stability, and fairness. The results have been less than impressive, however.

For example, a decade ago when the Texas real estate market was crumbling, the regional banks began feeling the fallout, Grant writes. Eventually, every key Texas bank went bankrupt during this time or was merged or required assistance from the federal government. Ironically, big Dallas banks managed to survive the Great Depression 50 years earlier with relatively little, if any, federal help.

The huge expenditures and market interventions by Washington in the more recent Texas setback had little remedial effects. In fact, such interventions are said to have exacerbated the problems because they redistributed corrective pain and thereby mitigated the healing effects of the market. "It was the received wisdom of the 1970s and early 1980s," Grant writes, "that modern banks do not fail (thanks to federal deposit insurance) and that inflation is a permanent American condition (as a result of the Employment Act of 1946). However, the impossible proceeded to happen."

Despite policy failures over the decades, Washington has been slowly adding layers of bureaucracy to do more of the same. Statist manipulation of credit markets has since become overt, counterproductive, and sometimes dangerous, as Grant points out regarding interventions into the banking market throughout the nation in recent decades: "The doctrine that some banks were too big to fail subverted the most basic banking franchise of all, safety; promising to protect its depositors' money at all hazards, a small, safe bank could make no competitive headway against a large, risky bank. The Treasury Department was the ultimate big-bank stockholder."

Grant might have added that Congress' record in recent years on distorting banking policies is equally troubling. Consider that institution's decision to raise the savings and loan deposit-insur-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ance ceiling to $100,000 from $40,000 as the 1980s opened. This action attracted more money from depositors, who were comforted—some say lured—by the artificially higher levels of government guarantees. Yet that money—indirectly solicited by government guarantees—was funneled into speculative, though ill-fated real estate ventures.

A good deal of the country's monetary and credit ills can be traced back to the creation of the Federal Reserve System just before World War I, Grant suggests. Few can argue with this notion, as this system has contributed greatly to the politicization of monetary policy, partly by removing formal institutional constraints on monetary excesses, as in the jettisoning of the gold reserve ratio.

Over the years, Fed power became increasingly centralized—a predictable development, given the nature of the beast—giving it more authority to act unilaterally and, consequently, beyond market rationality.

The Banking Act of 1935, for example, removed individual banks' influence in open market monetary operations, ceding that ability to the Fed. Subsequently, all key monetary decisions were to come within its domain. Unfortunately, the situation has degenerated so that monetary policy choices are often derived from a political calculus. Such power shifts opened the door for Congress to sanction irresponsible fiscal policies, as in 1946 when it promoted monetary excesses by directing the Fed to promote high employment under the Full Employment Act.

By the early 1970s, the arrival of the Penn Central affair should not have come as a surprise to anyone monitoring the trends of previous decades. Grant recounts that the tribulations of this company became the most prominent example of market manipulations, partly induced, if not sanctioned, by government policies. In fact, some of the nation's most conservative bankers, and ardent critics of state intervention as well, had experienced a philosophical change of mind as they succumbed to modern monetary mismanagement as promoted by Washington. As a result, the previously independent-minded Walter Wriston, chairman of the First National City Bank, petitioned the Federal Reserve Bank of New York in the early '70s for a $200 million loan guarantee as assistance in dealing with the increasingly risk-laden Penn Central, to which City Bank and other institutions had made loans.

Regardless of government intervention, however, Penn was headed for failure. And rightly so, as the company had made egregious errors in business judgment. Yet even after Penn had fallen, it was clear that the Fed system wasn't about to mend its ways nor acknowledge market logic. Indeed, the Federal Reserve Bank of New York assessed Penn's failure as unrelated to rational market pressures, but instead the result of technical difficulties. In essence, the bank refused to face reality, explaining that Penn crashed and burned because holders of the firm's commercial paper "became apprehensive about the low level of corporate liquidity as well as about the ability of borrowers to refinance existing debt, given the tight position of the banking system. The difficulties encountered by a number of brokerage firms, including some of the oldest and largest houses, and the fact that stock prices continued to fluctuate erratically added to the widespread uneasiness. Moreover, the Penn Central default came at a time when the amount of maturing paper was seasonally high because of the midyear statement date."

Overall, *Money of the Mind* provides an engaging look at how government monetary policies have infiltrated and corrupted the market process. To be sure, decisions made in the private sector must share in the blame for excesses, and yes, sometimes scandals. Such is the reflection of human nature rather than market failings, though.

Beyond that, such private market stumbles typically are corrected by assessing penalties to the offending parties. In contrast, government-induced improprieties in monetary affairs are rarely corrected. Instead, such statist errors are allowed to multiply, primarily because responsibility is diluted and pawned off onto millions of unwilling taxpayers who have no culpability, and no avenue for redress of grievances against the autonomous Fed. □

James Picerno is associate editor of Stanger's Investment Advisor, *based in Shrewsbury, New Jersey. He is also a contributor to* Barron's, Financial Freedom Report, *and* Business Facilities.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

INDEX
THE FREEMAN
Volume 42
January-December 1992

Prepared by Beth A. Hoffman

NOTE: In page references, the number preceding the colon designates the month, the numbers following refer to pages. All articles have at least three entries—author, title, and subject, except in a few cases when the title and the appropriate subject coincide. Books reviewed are listed alphabetically by their author(s) on page 496; the names of their reviewers are included in the master index.

A

ABUNDANCE of messiahs (Hunter) 1:38
ADLER, Jonathan H.
  The marketplace relies upon commercial free speech. 10:377-378
AFFIRMATIVE action, what does [it] affirm? (McElroy) 3:96-99
AMBITION and compassion (Raimi) 1:13-15
AMERICA's child protective system: is it really protection? (Lapp) 12:477-480
ANDERSON, Paul
  Handwriting on the wall. 1:11-12
ARE there no limits to federal regulatory power? (Ryan) 12:469-470
ARE we only good at waging war? (Pyburn) 6:236
ATTACK in the Adirondacks (Fanning) 1:28-37

B

BAIRD, Charles
  A tale of infamy: the Air Associates strike of 1941. 4:152-159
BANDOW, Doug. *See* Book reviews (Beisner, Dornbusch & Edwards, Hansen, Huber, Huber & Litan, Patterson)
BANKING without the "too-big-to-fail" doctrine (Salsman) 11:426-431
BATEMARCO, Robert. *See* Book reviews (Bartley)
BEISNER, E. Calvin
  The dilemma of library censorship. 11:416-417
BEST for Priscilla (R. Peterson) 5:180-181
BILL of Rights and moral philosophy (Machan) 7:270-272
BILLINGSLEY, K.L.
  The economics and ethics of trash. 1:39-40
  The food police are watching you. 12:471-472
  Welfare: fraud on steroids. 4:148-149
BOETTKE, Peter J.
  Friedrich A. Hayek (1899-1992) 8:300-303
  Why perestroika failed. 3:113-114
BREATHE deep, America, while liberty is in the air (Hall) 4:142-147
BRIGGS, Jean. *See* Book reviews (Nelson)
BROOKES, Warren, 1929-1991 (Ferguson) 5:172-173
BROWN, David M. *See* Book reviews (Anderson)
BUREAUCRACY
  Kafka's bureaucratic nightmares (Matthews) 4:134-136
  Microcosm: decline of U.S. competitiveness (D.Smith) 6:234-235
  Saying "yes" (Zimmerman) 6:231-233
BUSINESS
  Corporations at stake (Den Uyl) 7:252-254
BUSINESS and the "adopt-a-school" fiasco (Hood) 5:187-191

C

CABRERA, Sigfredo A.
  Dream house turns into nightmare. 1:4-6
CAN politicians really care? (Machan) 11:425
CAN private schools survive "privatization"? (Rhoads) 10:395-399
CANADIAN Medicare: doomed from the start (Corcoran) 5:182-183
CAPITALISM: an Olympic winner (Henderson) 7:260-261
CARILLI, Anthony M.
  Where has all the saving gone? 11:436-438
CASE of the sighing mechanics (Machan) 6:230
CENSORSHIP
  Dilemma of library censorship (Beisner) 11:416-417
  Feminist censorship (Matthews) 1:21-22
  Marketplace relies upon commercial free speech (Adler) 10:377-378
CHAMBERLAIN, John. *See* Book reviews (St. John, Stanlis, Wilson)
CHAMBERLAIN, John: Memoirs of a simple honorable man (Hamilton) 11:439-442
CHARITY in the land of individualism (Fargo) 8:314-315
CHARITY, private vs. public
  Philanthropy in a cold climate (Frumkin) 2:77-79
  Tough love for the needy (J.L. Payne) 8:304-305
  Throwing money at social problems (Payne) 5:201-202
CHESHER, J.E. *See* Book reviews (Machan)
CHILDREN
  America's child protective system: is it really protection? (Lapp) 12:477-480
  Best for Priscilla (R. Peterson) 5:180-181
CHLOPECKI, Mary
  The property rights origins of privacy rights. 8:306-309
CHRISTIANITY
  Coming of Christ (John W. Robbins) 12:452-461
  Moral foundation of Western culture (Mattocks) 11:423-424
CHRISTIE, Jim. *See* Book reviews (Carter, Chavez, Hunter)
CIVIL disobedience: a threat to our society under law (Leibman) 7:262-265
COFFMAN, Richard B.
  Mud farming and political extortion. 7:258-259
COLLECTIVISM
  Dark lessons of utopia (Kozinski) 2:58-67
  First-person singular (D.Smith) 1:41-42
COMING of Christ (John W. Robbins) 12:452-461
COMMONWEALTH of Independent States: land of opportunity (Hill) 6:212-213
COMMUNISM
  Czechoslovakia rejoins the West (Gabb) 7:266-269
  Dark lessons of utopia (Kozinski) 2:58-67
  Handwriting on the wall (Anderson) 1:11-12
  Looking for a strong man after the revolution (Reardon) 4:139-141
  Search for a souvenir spoon (D.R. Lee) 4:137-138
COMPETITION
  Case of the sighing mechanics (Machan) 6:230
CONSERVATION. See environment
CORCORAN, Terence
  Canadian Medicare: doomed from the start. 5:182-183
CORPORATIONS at stake (Den Uyl) 7:252-254
CRAWFORD, Frederick C.
  Tony Trivisano's American dream. 4:160-162
CUNNINGHAM, Steven R.
  Human "imperfection" as a market strength. 10:379-380
CZECHOSLOVAKIA on the Hudson (Zimmerman) 3:115-117
CZECHOSLOVAKIA rejoins the West (Gabb) 7:266-269

D

DARK lessons of utopia (Kozinski) 2:58-67
DEBTS AND DEFICITS
  Losing the cold war (Whalen) 8:292-299
  We, the people, and our deficit (Harris) 11:432-433
DEFENSE of our civilization against intellectual error (Hayek) 6:243-244
DEN UYL, Douglas J.
  Corporations at stake. 7:252-254
DILEMMA of library censorship (Beisner) 11:416-417
DiLORENZO, Thomas J.
  Why socialism causes pollution. 3: 107-112
DO seat belt laws work? (Semmens) 7:280-281
DOES occupational licensing protect consumers? (Hood) 11:418-422

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

DOUGLAS, Jack D.
Freedom of education will solve our education crisis. 6:216-225
DOW, Stephen J.
Letter to a congressman. 9:364
DREAM house turns into nightmare (Cabrera) 1:4-6

E

EASTERN EUROPE
Czechoslovakia on the Hudson (Zimmerman) 3:115-117
Czechoslovakia rejoins the West (Gabb) 7:266-269
Dark lessons of utopia (Kozinski) 2:58-67
Freedom and the prospect for Soviet economic reform (Lee) 2:68-72
Illusion that's the welfare state (Machan) 3:104-106
Puppets and freedom in Czechoslovakia (Reardon) 2:73-75
Why socialism causes pollution (DiLorenzo) 3:107-112
ECONOMICS and ethics in the public policy of the free society (Marcoux) 12:481-482
ECONOMICS and ethics of trash (Billingsley) 1:39-40
EDUCATION
Business and the "adopt-a-school" fiasco (Hood) 5:187-191
Can private schools survive "privatization"? (Rhoads) 10:395-399
Freedom of education will solve our education crisis (Douglas) 6:216-225
Mythology of state spending (Hood) 4:132-133
School with a money-back guarantee (S. Payne) 6:226-227
Student activity fees (Klein) 7:279
EGALITARIANISM: Now beauty is a liability (Machan) 1:23-24
ELECTABILITY (Smith) 10:390-391
ELLIOTT, Nicholas. *See* Book reviews (West)
ENGLAND, history
Gregs of Styal (Thomas) 9:351-353
ENTREPRENEURSHIP
Lessons from an entrepreneur (Laband) 9:334-335
Mr. McAllister's list (D.Smith) 2:56-57
Mud farming and political extortion (Coffman) 7:258-259
Puppets and freedom in Czechoslovakia (Reardon) 2:73-75
ENVIRONMENT
Attack in the Adirondacks (Fanning) 1:28-37
Dream house turns into nightmare (Cabrera) 1:4-6
Economics and ethics of trash (Billingsley) 1:39-40
How capitalism saved the whales (James Robbins) 8:311-313
Human rights, animal rights, and friends of the earth (Petro) 3:118-120
Of skunks and salmon (Maccaro) 2:75
Species worth preserving (Kell) 3:120-121
Toxicity of environmentalism (Reisman) 9:336-350
Why socialism causes pollution (DiLorenzo) 3:107-112
ETHICS
Economics and ethics in the public policy of the free society (Marcoux) 12:481-482
Economics and ethics of trash (Billingsley) 1:39-40
EXTRATERRESTRIAL intelligence, search for (Finneran) 6:237-238

F

"FAIR TRADE" myth (Kamath) 7:277-278
FANNING, Michael
Attack in the Adirondacks. 1:28-37
FARGO, John D.
Charity in the land of individualism. 8:314-315
FEMINISM Sex, lies, and history (Machan) 5:196-197
FEMINIST censorship (Matthews) 1:21-23
FERGUSON, Tim
Warren Brookes, 1929-1991. 5:172-173
FINNERAN, John P.
A tale of two dictionaries. 12:483-485
The search for extraterrestrial intelligence. 6:237-238
FIRST-person singular (D.Smith) 1:41-42
FOOD police are watching you (Billingsley) 12:471-472
FREEDOM and the prospect for Soviet economic reform (Lee) 2:68-72
FREEDOM and majority rule (Opitz) 8:316-322
FREEDOM of education will solve our education crisis (Douglas) 6:216-225
FREEDOM OF SPEECH
Dilemma of library censorship (Beisner) 11:416-417
Marketplace relies on commercial free speech (Adler) 10:377-378
FRIEDRICH A. Hayek (1899-1992) (Boettke) 8:300-303
FROBOUCK, Jo Ann T.
Private treasures at Antietam. 6:228-229
Redlight for greenways. 10:392-394
FRUMKIN, Peter
Philanthropy in a cold climate. 2:77-79
FUTURE that should have been ours (Sparks) 8:323-324

G

GABB, Sean
Czecho-Slovakia rejoins the West. 7:266-269
Sir Henry Vane: America's first revolutionary. 1:16-20
GALLES, Gary
Half-truths or consequences. 11:434-435
See also Book reviews (McKenzie and Lee)
GENDER gap (D.R. Lee and C.D. Lee) 3:100-103
GIOVANETTI, Thomas A.
Thoughts on creativity while watching *The Twilight Zone*. 9:332-333
GOLD, Stephen
The rise of markets and the fall of infectious disease 11:412-415
GOVERNMENT, limited
Freedom and majority rule (Opitz) 8:316-322
Letter to a congressman (Dow) 9:364
Never to be put up for vote (Hultberg) 10:372-376
Prelude to the total state (Hultberg) 9:354-359
GOVERNMENT regulation/control
America's child protective system:is it really protection? (Lapp) 12:477-480
Are there no limits to federal regulatory power? (Ryan) 12:469-470
Banking without the "too-big-to-fail" doctrine (Salsman) 11:426-431
Dark lessons of utopia (Kozinski) 2:58-67
Dilemma of library censorship (Beisner) 11:416-417
Do seat belt laws work? (Semmens) 7:280-281
Food police are watching you (Billingsley) 12:471-472
Future that should have been ours (Sparks) 8:323-324
Home-birth controversy (Lapp) 6:239-242
How many laws are enough? (Payne) 4:163
Marketplace relies upon commercial free speech (Adler) 10:377-378
Markets in the post-cold war era: controlled or free? (Sherman) 12:462-468
National health insurance: a medical disaster (Wollstein) 10:381-387
New York's war against the vans (Zimmerman) 4:150-151
Not up to snuff (Pyburn) 2:82
Reducing regulation of the defense industry (Weidenbaum) 2:52-55
Smoking on airplanes (R. Smith) 9:363
Tale of infamy: the Air Associates strike of 1941 (Baird) 4:152-159
Three's a crowd (Zimmerman) 8:324-325
GREGS of Styal (Thomas) 9:351-353

H

HABITAT FOR HUMANITY: Tough love for the needy (J.L. Payne) 8:304-305
HALF-TRUTHS or consequences (Galles) 11:434-435
HALL, II, Arthur P.
Breathe deep, America, while liberty is in the air. 4:142-147
HAMILTON, Charles H.
Memoirs of a simple honorable man. 11:439-442
HANDWRITING on the wall (Anderson) 1:11-12
HARRIS, Jr., T. Franklin
Rustic, U.S.A. 2:80-81
We, the people, and our deficit. 11:432-433
HAYEK, Friedrich A.
The defense of our civilization against intellectual error. 6:243-244
HAYEK, Friedrich (1899-1992) (Boettke) 8:300-303
HENDERSON, David R.
Capitalism: an Olympic winner. 7:260-261

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

HILL, Peter J.
The Commonwealth of Independent States: land of opportunity. 6:212-213
HOFFMAN, Matthew. *See* Book reviews (Feshbach)
HOLOCAUST and the lost Caribbean paradise (Perl) 1:7-10
HOLTZ, William
The woman who discovered private property. 7:255-257
HOME-BIRTH controversy (Lapp) 6:239-242
HOOD, John
Business and the "adopt-a-school" fiasco. 5:187-191
Does occupational licensing protect consumers? 11:418-422
The mythology of state spending. 4:132-133
HOUSING
Not up to snuff (Pyburn) 2:82
Two kinds of slums (North) 10:388-389
HOW many laws are enough? (Payne) 4:163
HOW capitalism saved the whales (James Robbins) 8:311-313
HULTBERG, Nelson
Never to be put up for vote. 10:372-376
Prelude to the total state.9:354-359
HUMAN "imperfection" as a market strength (Cunningham) 10:379-380
HUMAN rights, animal rights, and friends of the earth (Petro) 3:118-120
HUNTER, Barbara R.
An abundance of messiahs. 1:38

I-J

IDEAS
Men versus machines (Machen) 9:360-362
Tale of two dictionaries (Finneran) 12:483-485
Thoughts on creativity while watching *The Twilight Zone* (Giovanetti) 9:332-333
ILLUSION that's the welfare state (Machan) 3:104-106
INDIVIDUALISM
Charity in the land of individualism (Fargo) 8:314-315
First-person singular (D.Smith) 1:41-42
Freedom of education will solve our education crisis (Douglas) 6:216-225
Rifle by the door (D.Smith) 7:273
INDUSTRIAL Revolution: Gregs of Styal (Thomas) 9:351-353
INNOVATION/technology
Future that should have been ours (Sparks) 8:323-324
How capitalism saved the whales (James Robbins) 8:311-313
Men versus machines (Machen) 9:360-362
Rise of markets and the fall of infectious disease (Gold) 11:412-415
Thoughts on creativity while watching *The Twilight Zone* (Giovanetti) 9:332-333
JUSTICE/judiciary
Thomas/Hill hearings: a new legal harassment (McKenzie) 1:25-27

K

KAFKA's bureaucratic nightmares (Matthews) 4:134-136
KAMATH, Shyam J.
The "fair trade" myth. 7:277-278
KEATING, Raymond J. *See* Book reviews (Bovard, Fabra, Johnson, Yergin)
KELL, John
A species worth preserving. 3:120-121
KLEIN, Thomas C.
Student activity fees. 7:279
KLINE, Malcolm A.
Memories of a recession past. 7:274-275
KOZINSKI, Alex
The dark lessons of utopia. 2:58-67

L

LABAND, David N.
Lessons from an entrepreneur. 9:334-335
LABOR
Little railroad that could (Young) 5:184-186
Memories of a recession past (Kline) 7:274-275
Tale of infamy: the Air Associates strike of 1941 (Baird) 4:152-159
Unemployment and liberty (Zycher) 7:276-277
Workers and unions—how about freedom of contract? (Leef) 12:473-476
LAND USE/planning
Attack in the Adirondacks (Fanning) 1:28-37
Dream house turns into nightmare (Cabrera) 1:4-6
Private treasures at Antietam (Frobouck) 6:228-229
Redlight for greenways (Frobouck) 10:392-394
LANE, Rose Wilder: Woman who discovered private property (Holtz) 7:255-257
LAPP, Hannah P.
America's child protective system: is it really protection? 12:478-480
The home-birth controversy. 6:239-242
LARSON, Elizabeth. *See* Book reviews (Fox-Genovese)
LEE, Cynthia D. (co-author) The gender gap. 3:100-103
LEE, Dwight R.
Freedom and the prospect for Soviet economic reform. 2:68-72
The gender gap. 3:100-103 (co-author)
The search for a souvenir spoon. 4:137-138
LEEF, George C.
Workers and unions—how about freedom of contract? 12:473-476
LEIBMAN, Morris I.
Civil disobedience: a threat to our society under law. 7:262-265
LESSONS from an entrepreneur (Laband) 9:334-335
LETTER to a congressman (Dow) 9:364
LITTLE railroad that could (Young) 5:184-186
LOOKING for a strong man after the revolution (Reardon) 4:139-141
LOSING the cold war (Whalen) 8:292-299

M

MACCARO, James A.
Of skunks and salmon. 2:75
MACHAN, Tibor R.
The Bill of Rights and moral philosophy. 7:270-272
Can politicians really care? 11:425
The case of the sighing mechanics. 6:230
The illusion that's the welfare state. 3:104-106
Now beauty is a liability. 1:23-24
Sex, lies, and history. 5:196-197
Who is a self-made person? 2:76
See also Book reviews (Den Uyl)
MACHEN, J. Gresham
Men versus machines. 9:360-362
MARCOUX, Alexei
Economics and ethics in the public policy of the free society. 12:481-482
MARKET strength/human imperfection as a (Cunningham) 10:379-380
MARKETPLACE relies upon commercial free speech (Adler) 10:377-378
MARKETS in the post-cold war era: controlled or free? (Sherman) 12:462-468
MASON, George, and the Bill of Rights (G. Williams) 5: 174-175
MATTHEWS, Jack
Feminist censorship. 1:21-23
Kafka's bureaucratic nightmares. 4:134-136
MATTOCKS, Marty
The moral foundation of Western culture. 11:423-424
McELROY, Wendy
What does affirmative action affirm? 3:96-99
McKENZIE, Richard
The Thomas/Hill hearings: a new legal harassment. 1:25-27
MEDICAL care
Best for Priscilla (R. Peterson) 5:180-181
Canadian Medicare: doomed from the start (Corcoran) 5:182-183
Home-birth controversy (Lapp) 6:239-242
National health insurance: a medical disaster (Wollstein) 10:381-387
MELVIN, Sheila
The rebirth of Mexico. 5:192-195
MEMOIRS of a simple honorable man (Hamilton) 11:439-442
MEMORIES of a recession past (Kline) 7:274-275
MEN versus machines (Machen) 9:360-362
MEXICO, rebirth of (Melvin) 5:192-195
MICROCOSM: decline of U.S. competitiveness (D.Smith) 6:234-235
MILITARY/defense
Are we only good at waging war? (Pyburn) 6:236
Reducing regulation of the defense industry (Weidenbaum) 2:52-55
MONEY AND BANKING
Banking without the "too-big-to-fail" doctrine (Salsman) 11:426-431

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Losing the cold war (Whalen) 8:292-299
Where has all the saving gone? (Carilli) 11:436-438
MORAL foundation of Western culture. (Mattocks) 11:423-424
MORALITY
The coming of Christ (John W. Robbins) 12:452-461
Moral foundation of Western culture (Mattocks) 11:423-424
MOST sensible man (D. Smith) 5:178-179
MR. McALLISTER'S list (D.Smith) 2:56-57
MUD farming and political extortion (Coffman) 7:258-259
MYTHOLOGY of state spending (Hood) 4:132-133

N

NATIONAL health insurance: a medical disaster (Wollstein) 10:381-387
NEVER to be put up for vote (Hultberg) 10:372-376
NEW YORK CITY
Czechoslovakia on the Hudson (Zimmerman) 3:115-117
New York's war against the vans (Zimmerman) 4:150-151
Saying "yes" (Zimmerman) 6:231-233
Street performers and the social contract (Zimmerman) 5:198-199
Three's a crowd (Zimmerman) 8:324-325
NORTH, Gary
Two kinds of slums. 10:388-389
NOT up to snuff (Pyburn) 2:82
NOW beauty is a liability (Machan) 1:23-24

O

OF skunks and salmon (Maccaro) 2:75
OLYMPICS: Capitalism: an Olympic winner (Henderson) 7:260-261
ONE HUNDRED dollar tree fern (D.Smith) 8:310
OPITZ, Edmund A.
Freedom and majority rule 8:316-322
See also Book reviews (Rodgers)

P

PAGANISM: Coming of Christ (John W. Robbins) 12:452-461
PAYNE, James L.
How many laws are enough? 4:163
Tough love for the needy. 8:304-305
Throwing money at social problems. 5:201-202
PAYNE, Scott
A school with a money-back guarantee. 6:226-227
PERL, William R.
The holocaust and the lost Caribbean paradise 1:7-10
PERSON, Lawrence. *See* Book reviews (Drexler)
PETERSON, Robert A.
The best for Priscilla. 5:180-181
See also Book reviews (Oakeshott)
PETERSON, W.H. *See* Book reviews (Ashford & Davies, Bhagwati, Cordato, Ebeling, Murray, O'Rourke, Thurow)
PETRO, Sylvester
Human rights, animal rights, and friends of the earth. 3:118-120
PHILANTHROPY in a cold climate (Frumkin) 2:77-79
PHILOSOPHY: Defense of our civilization against intellectual error (Hayek) 6:243-244
PICERNO, James. *See* Book reviews (Grant)
POLITICAL correctness
Feminist censorship (Matthews) 1:21-22
Gender gap (D.R. Lee and C.D. Lee) 3:100-103
Now beauty is a liability (Machan) 1:23-24
Sex, lies, and history (Machan) 5:196-197
POLITICS
Can politicians really care? (Machan) 11:425
Electability (Smith) 10:390-391
Freedom and majority rule (Opitz) 8:316-322
Gender gap (D.R. Lee and C.D. Lee) 3:100-103
Letter to a congressman (Dow) 9:364
Never to be put up for vote (Hultberg) 10:372-376
Rustic, U.S.A. (Harris) 2:80-81
Why perestroika failed (Boettke) 3:113-114
PRELUDE to the total state (Hultberg) 9:354-359
PRICES/pricing—$100 tree fern (D.Smith) 8:310
PRIVACY rights: property rights origins of (Chlopecki) 8:306-309
PRIVATE property
Attack in the Adirondacks (Fanning) 1:28-37
Human rights, animal rights, and friends of the earth (Petro) 3:118-120
Mud farming and political extortion (Coffman) 7:258-259
Private treasures at Antietam (Frobouck) 6:228-229
Redlight for greenways (Frobouck) 10:392-394
Woman who discovered private property (Holtz) 7:255-257
PRIVATE treasures at Antietam (Frobouck) 6:228-229
PRODUCTION/productivity
Ambition and compassion (Raimi) 1:13-15
Are we only good at waging war? (Pyburn) 6:236
Case of the sighing mechanics (Machan) 6:230
PROPERTY rights origins of privacy rights (Chlopecki) 8:306-309
PUPPETS and freedom in Czechoslovakia (Reardon) 2:73-75
PYBURN, Evelyn
Are we only good at waging war? 6:236
Not up to snuff. 2:82

R

RAIMI, Ralph A.
Ambition and compassion. 1:13-15
The separation of church and state. 6:214-215
READ, Leonard E.
Two kinds of influence. 5:200-201
REARDON, Doug
Looking for a strong man after the revolution. 4:139-141
Puppets and freedom in Czechoslovakia. 2:73-75
REBIRTH of Mexico (Melvin) 5:192-195
REDLIGHT for greenways (Frobouck) 10:392-394
REDUCING regulation of the defense industry (Weidenbaum) 2:52-55
REISMAN, George.
The toxicity of environmentalism. 9:336-350
RELIGION/morality
Coming of Christ (John W. Robbins) 12:452-461
Separation of church and state (Raimi) 6:214-215
RHOADS, Saralee
Can private schools survive "privatization"? 10:395-399
RIFLE by the door (D.Smith) 7:273
RISE of markets and the fall of infectious disease (Gold) 11:412-415
ROBBINS, James S.
How capitalism saved the whales. 8:311-313
ROBBINS, John W.
The coming of Christ. 12:452-461
RULE OF LAW—Civil disobedience: a threat to our society under law (Leibman) 7:262-265
RUSSIA
Commonwealth of Independent States: land of opportunity (Hill) 6:212-213
Freedom and the prospect for Soviet economic reform (Lee) 2:68-72
Handwriting on the wall (Anderson) 1:11-13
Looking for a strong man after the revolution (Reardon) 4:139-141
Philanthropy in a cold climate (Frumkin) 2:77-79
Search for a souvenir spoon (D.R. Lee) 4:137-138
Why perestroika failed (Boettke) 3:113-114
RUSTIC, U.S.A. (Harris) 2:80-81
RYAN, Russell G.
Are there no limits to federal regulatory power? 12:469-470

S

SALSMAN, Richard M.
Banking without the "too-big-to-fail" doctrine. 11:426-431
SAYING "yes" (Zimmerman) 6:231-233
SCHOOL with a money-back guarantee (S. Payne) 6:226-227
SEARCH for a souvenir spoon (D.R. Lee) 4:137-138
SEARCH for extraterrestrial intelligence (Finneran) 6:237-238
SECURITY/safety, government guaranteed
Do seat belt laws work? (Semmens) 7:280-281
Does occupational licensing protect consumers? (Hood) 11:418-422

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

SELF-RELIANCE
Shoemaker of Los Banos (Stull) 3:92-95
Tony Trivisano's American dream (Crawford) 4:160-162
Two kinds of influence (Read) 5:200-201
Who is a self-made person? (Machan) 2:76
SEMMENS, John
Do seat belt laws work? 7:280-281
SEPARATION of church and state (Raimi) 6:214-215
SEX, lies, and history (Machan) 5:196-197
SEXUAL harassment
How many laws are enough? (Payne) 4:163
Thomas/Hill hearings: a new legal harassment (McKenzie) 1:25-27
SHANNON, Russell. *See* Book reviews (Gaustad)
SHERMAN, Amy L.
Markets in the post-cold war era: controlled or free? 12:462-468
SHOEMAKER of Los Banos (Stull) 3:92-95
SIR Henry Vane: America's first revolutionary (Gabb) 1:16-20
SMITH, Donald G.
Electability. 10:390-391
First-person singular. 1:41-42
Microcosm: the decline of U.S. competitiveness. 6:234-235
Mr. McAllister's list. 2:56-57
A most sensible man. 5:178-179
The $100 tree fern. 8:310
The rifle by the door. 7:273
Sports: the great American surrogate. 3:122-123
SMITH, Robert T.
Smoking on airplanes. 9:363
SMOKING on airplanes (R. Smith) 9:363
SOCIAL REFORM
Abundance of messiahs (Hunter) 1:38
America's child protective system: is it really protection? (Lapp) 12:477-480
SPARKS, John C.
The future that should have been ours. 8:323-324
SPECIES worth preserving (Kell) 3:120-121
SPORTS: the great American surrogate (D.Smith) 3:122-123
STREET performers and the social contract (Zimmerman) 5:198-199
STUDENT activity fees (Klein) 7:279
STULL, John
The shoemaker of Los Banos. 3:92-95

T

TALE of infamy: the Air Associates strike of 1941 (Baird) 4:152-159
TALE of two dictionaries (Finneran) 12:483-485
TAXES: Mythology of state spending (Hood) 4:132-133
THOMAS, Robert
The Gregs of Styal. 9:351-353
THOMAS/Hill hearings: a new legal harassment (McKenzie) 1:25-27
THOUGHTS on creativity while watching *The Twilight Zone* (Giovanetti) 9:332-333
THREE'S a crowd (Zimmerman) 8:324-325
THROWING money at social problems (Payne) 5:201-202
TONY Trivisano's American dream (Crawford) 4:160-162
TOUGH love for the needy (J.L. Payne) 8:304-305
TOXICITY of environmentalism (Reisman) 9:336-350
TRADE
"Fair trade" myth (Kamath) 7:277-278
Markets in the post-cold war era: controlled or free? (Sherman) 12:462-468
Microcosm: decline of U.S. competitiveness (D.Smith) 6:234-235
TRANSPORTATION
Little railroad that could (Young) 5:184-186
Smoking on airplanes (R. Smith) 9:363
TUCKER, Jeffrey. *See* Book reviews (Epstein)
TUCKER, William. *See* Book reviews (Olson)
TWO kinds of influence (Read) 5:200-201
TWO kinds of slums (North) 10:388-389

U-V

U.S. Constitution
Bill of Rights and moral philosophy (Machan) 7:270-272
Breathe deep, America, while liberty is in the air (Hall) 4:142-147
George Mason and the bill of Rights (G. Williams) 5:174-177
Separation of church and state (Raimi) 6:214-215
U.S. DEPARTMENT OF STATE
Holocaust and the lost Caribbean paradise (Perl) 1:7-10
U.S. history
Rifle by the door (D.Smith) 7:273
Sir Henry Vane: America's first revolutionary (Gabb) 1:16-20
UNEMPLOYMENT and liberty (Zycher) 7:276-277
USSR see Russia
VANE, Sir Henry: America's first revolutionary (Gabb) 1:16-20

WXYZ

WALTON, Sam: lessons from an entrepreneur (Laband) 9:334-335
WE, the people, and our deficit (Harris) 11:432-433
WEALTH: Rise of markets and the fall of infectious disease (Gold) 11:412-415
WEIDENBAUM, Murray
Reducing regulation of the defense industry. 2:52-55
WELFARE STATE
Ambition and compassion (Raimi) 1:13-15
Illusion that's the welfare state (Machan) 3:104-106
Prelude to the total state (Hultberg) 9:354-359
Sports: the great American surrogate (D.Smith) 3:122-123
Throwing money at social problems (Payne) 5:201-202
Two kinds of slums (North) 10:388-389
WELFARE: fraud on steroids (Billingsley) 4:148-149
WHALEN, Christopher
Losing the cold war. 8:292-299
WHAT does affirmative action affirm? (McElroy) 3:96-99
WHERE has all the saving gone? (Carilli) 11:436-438
WHO is a self-made person? (Machan) 2:76
WHY perestroika failed (Boettke) 3:113-114
WHY socialism causes pollution (DiLorenzo) 3:107-112
WILLIAMS, Gary
George Mason and the Bill of Rights. 5:174-177
WOEHLKE, James. *See* Book reviews (Barnett)
WOLLSTEIN, Jarret B.
National health insurance: a medical disaster. 10:381-387
See also Book reviews (Bast, Rule & Wesbury; Goodman & Musgrave)
WOMAN who discovered private property (Holtz) 7:255-257
WORKERS and unions—how about freedom of contract? (Leef) 12:473-476
WORLD WAR II
Holocaust and the lost Caribbean paradise (Perl) 1:7-10
Shoemaker of Los Banos (Stull) 3:92-95
YOUNG, Anthony
The little railroad that could. 5:184-186
ZIMMERMAN, Robert
Czechoslovakia on the Hudson. 3:115-117
New York's war against the vans. 4:150-151
Saying "yes." 6:231-233
Street performers and the social contract. 5:198-199
Three's a crowd. 8:324-325
ZYCHER, Benjamin
Unemployment and liberty. 7:276-277

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

BOOK REVIEWS

(Reviewer's name in parentheses)

ANDERSON, Martin. *Impostors in the temple* (Brown) 11:445-446
ASHFORD, Nigel & Davies, Stephen, eds. *A dictionary of conservative and libertarian thought* (W.H.Peterson) 5:203-204
BARNETT, Randy, ed. *The rights retained by the people: the history and meaning of the ninth amendment* (Woehlke)10:400-401
BARTLEY, Robert L. *The seven fat years—and how to do it again* (Batemarco) 12:487-488
BAST, Joseph L., Rule, Richard C. & Wesbury, Stuart A., Jr., *Why we spend too much on health care* (Wollstein) 10:404-408
BEISNER, E. Calvin. *Prospects for growth* (Bandow) 2:84-85
BHAGWATI, Jagdish. *The world trading system at risk* (W.H. Peterson) 1:48
BOVARD, James. *The fair trade fraud* (Keating) 7:282-283
CARTER, Stephen L. *Reflections of an affirmative action baby* (Christie) 3:125-126
CHAVEZ, Linda. *Out of the barrio* (Christie) 5:204-205
CORDATO, Roy E. *Welfare economics and externalities in an open-minded universe: a modern Austrian perspective* (Peterson) 12:486-487
DEN UYL, Douglas J. *The virtue of prudence* (Machan) 9:366
DORNBUSCH,Rudiger & Edwards, Sebastian, eds. *The macroeconomics of populism in Latin America* (Bandow) 6:247-248
DREXLER, Eric, and Peterson, Chris. *Unbounding the future: the nanotechnology revolution* (Person) 11:443-445
EBELING, Richard, ed. *Austrian economics* (W.H. Peterson) 4:165-166
EDWARDS, Sebastian (co-editor). *See* Dornbusch
EPSTEIN, Richard A. *Forbidden grounds: the case against employment discrimination* (J.Tucker) 7:284-287
FABRA, Paul *Capital for profit: the triumph of Ricardian political economy over Marx and the neoclassical* (Keating) 10:403-404
FESHBACH, Murray & Friendly, Alfred, Jr., *Ecocide in the USSR* (Hoffman) 11:446-447
FOX-GENOVESE, Elizabeth. *Feminism without illusions* (Larson) 4:166-167
FRIENDLY, Alfred, Jr. (co-author) *See* Feshbach
GAUSTAD, Edwin S. *Liberty of conscience: Roger Williams in America* (Shannon) 2:87-88
GOODMAN, John C. & Musgrave, Gerald L. *Twenty myths about national health insurance* (Wollstein) 10:404-408
GRANT, James. *Money of the mind—borrowing and lending in America from the Civil War to Michael Milken* (Picerno) 12:489-490
HANSEN, John Mark. *Gaining access: Congress and the farm lobby, 1919-1981* (Bandow) 5:206-207
HUBER, Peter & Litan, Robert. *The liability maze* (Bandow) 1:45-46
HUBER, Peter. *Galileo's revenge: junk science in the courtroom* (Bandow) 3:124-125
HUNTER, James Davison. *The struggle to define America* (Christie) 6:245-246
JOHNSON, Paul. *The birth of the modern: world society 1815-1830* (Keating) 4:167-168
LEE, Dwight (co-author). *See* McKenzie
LITAN, Robert (co-author). *See* Huber
MACHAN, Tibor R. *Liberty & Culture* (Chesher) 8:327-328
McKENZIE, Richard B. & Lee, Dwight. *Quicksilver capital* (Galles) 2:85-87
MURRAY, Charles. *The emerging British underclass* (W.H. Peterson) 2:83-84
MUSGRAVE, Gerald L. (co-author) *See* Goodman
NELSON, Robert H. *Reaching for heaven on earth: the theological meaning of economics* (Briggs) 5:205-206
OAKESHOTT, Michael. *Rationalism in politics and other essays* (Robert Peterson) 6:246-247
OLSON, Walter. *The litigation explosion* (Wm. Tucker) 7:287-288
O'ROURKE, P. J. *Give war a chance: eyewitness accounts of mankind's struggle against tyranny, injustice, and alcohol-free beer* (W.H. Peterson) 9:365-366
PATTERSON, Orlando. *Freedom in the making of western culture* (Bandow) 9:366-368
PETERSON, Chris (co-author). *See* Drexler
RODGERS, Marion Elizabeth, ed. *The impossible H.L. Mencken* (Opitz) 7:283-284
RULE, Richard C. (co-author). *See* Bast
ST. JOHN, Jeffrey. *Forge of union, anvil of liberty* (Chamberlain) 8:326-327
STANLIS, Peter J. *Edmund Burke: the enlightenment and revolution* (Chamberlain) 4:164-165
THUROW, Lester. *Head to head: the coming battle among Japan, Europe and America* (W.H. Peterson) 10:401-403
WESBURY, Stuart A., Jr. (co-author). *See* Bast
WEST, Edwin G. *Adam Smith and modern economics* (Elliott) 3:127-128
WILSON, Francis Graham. *The case for conservatism* (Chamberlain) 1:44
YERGIN, Daniel. *The Prize* (Keating) 1:46-47

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Christmas 1992

Gift Ideas from FEE

***Freeman* Gift Subscriptions:** Checking your holiday gift list? There's still time to be remembered throughout the year. For only $25.00 you can make a gift of *The Freeman* and *Notes from FEE* for one year. Great for friends, business associates, teachers, students, employees, clergymen, or a local library. Each gift subscription will begin with an attractive card mailed in time for Christmas.

The **Essentials of Freedom**: Several books—one gift! This collection of 9 paperback titles provides a solid introduction to the basic ideas on liberty. Ideal for high school or college students—or any book lover on your list. The set includes *Economics in One Lesson* by Henry Hazlitt, *The Ten Commandments* by Raphael G. Kazmann, *Planning for Freedom* by Ludwig von Mises, *The Freedom Philosophy* (*Freeman Library* series), *The Morality of Capitalism* (*Freeman Classics* series), *Debts and Deficits* by Hans F. Sennholz, *The Law* by Frederic Bastiat, *The Mainspring of Human Progress* by Henry Grady Weaver, and *Anything That's Peaceful* by Leonard E. Read. A gift card will accompany each set. Special price for the set: $55.00 plus $4.00 shipping and handling.

Send your holiday gift instructions to us by December 10 to assure timely delivery.
To: The Foundation for Economic Education
Irvington-on-Hudson, New York 10533
Tel: (914) 591-7230 FAX: (914) 591-8910

Please send the following:

❑ Freeman gift subscription ❑ FEE Book Set
Name _____
Street Address _____
City_____State ____ ZIP_____

❑ Freeman gift subscription ❑ FEE Book Set
Name _____
Street Address _____
City_____State ____ ZIP_____

❑ Freeman gift subscription ❑ FEE Book Set
Name _____
Street Address _____
City_____State ____ ZIP_____

❑ Freeman gift subscription ❑ FEE Book Set
Name _____
Street Address _____
City_____State ____ ZIP_____

(Attach an additional sheet of paper if necessary.)

Totals: _____ *Freeman* Gift Subscriptions @ $25.00 each
_____ FEE Book Sets @ $59.00 each (includes shipping)
$_____ Total

Indicate method of payment:
❑ Check enclosed
❑ Please bill my ❑ VISA ❑ MasterCard Expiration:_____
Acct. #_____Signature: _____

Given by:
Name _____
Street Address _____
City _____State _____ ZIP_____

(Important: FEE must have your name and address to process your gifts.)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"There cannot be a doubt that when the political crimes of kings and governments . . . weigh heaviest on the mind, we have to thank Christianity for it. That pure light makes visible the darkness. . . . The Divine love makes human hate stand out in dark relief. This sadness . . . is the heritage of the Christian."

—ALEXANDER SMITH, "Christmas" (1862)

THE FOUNDATION FOR
ECONOMIC EDUCATION, INC.
30 South Broadway
Irvington-on-Hudson, NY 10533
ADDRESS CORRECTION REQUESTED

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED